



HUD Section 3  
Economic Opportunity  
Compliance Policy

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## **I. INTRODUCTION**

The purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance is directed to low and very low income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent. Under Section 3 preference must be given to Section 3 workers or Section 3 business concerns.

## **II. POLICY STATEMENT/PURPOSE**

The New Mexico Mortgage Finance Authority (MFA) is committed to the compliance with Section 3 regulations (24 CFR § 75) and the overall success of Section 3. In order to ensure compliance and success, MFA will set clear expectations of our partners to ensure that the spirit of this program is accomplished by helping residents move toward self-sufficiency by establishing priority for employment of low and very low income persons who are receiving government assistance by providing opportunities for training and employment. The Section 3 policy shall result in partners, recipients and contractors achieving a reasonable level of success in the recruitment, employment and retention of Section 3 workers and businesses by the contractors working on contracts sponsored with the HUD funds.

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) requires that employment and other economic and business opportunities generated by HUD financial assistance, to the greatest extent feasible, are directed to public housing residents and other low income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low income and very low income persons.

## **III. DEFINITIONS**

The following definitions apply to Section 3 covered projects:

### **Contractor**

Any entity entering into a contract with a recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project or a subrecipient for work in connection with a Section 3 project.

### **Covered Contract**

Any contract/ subcontract awarded by a recipient or contractor for work generated by the expenditure of Section 3 financial assistance, or for work arising in connection with a Section 3 covered project. Section 3 covered contracts do not include contracts for the purchase of supplies and materials. However, when a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

### **Labor Hours**

The number of paid hours worked by persons on a Section 3 project.

**Low Income**

A person whose income does not exceed 80% of median income for the area. ([https://www.huduser.gov/portal/datasets/il.html#2021\\_query](https://www.huduser.gov/portal/datasets/il.html#2021_query)).

**Recipient**

Any entity that receives directly from HUD community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, public housing authority (PHA), or other public agency, public or private non-profit organization.

**Section 3 Business Concern**

A Section 3 Business Concern meets one of the following criteria (in the last six months):

- It is at least 51% owned and controlled by low income or very low income persons;
- Over 75% of the labor hours performed for the business over prior three month period are performed by section 3 workers; or
- At least 51% owned and controlled by current residents of public housing or section 8 assisted housing.

The status of the Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owners(s) or employees.

**Section 3 Project**

Section 3 projects means housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide community development financial assistance when the total amount of assistance to a project exceeds a threshold of \$200,000. The threshold is \$100,000 where the assistance is from Lead Hazard Control and Healthy Homes programs<sup>1</sup>. The project is the site or sites together with any building(s) and improvement(s) located on the site(s) that are under common ownership, management, and financing. An example of a covered contracts is a loan of HOME and/or HTF to an affordable housing development project that is at or exceeds \$200,000.

**Section 3 Worker**

Any worker who currently fits or when hired within the past five years fit at least one of the following criteria:

- Low or very low income, as established by HUD's income limits for the previous or annualized calendar year;
- Employed by a Section 3 business concern; or
- A Youthbuild participant.

Section 3 worker is not exempt from meeting the qualifications of the position to be filled.

**Section 3 Requirements**

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<sup>1</sup> As authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-2), the Lead Based Paint Poisoning Prevention Act (42 U.S.C. 4801 et seq. and the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 et seq.

To the greatest extent feasible, and consistent with Federal, state, and local laws and regulations, recipients covered by Section 3 shall (i) ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located, while, where feasible, prioritizing opportunities and training for Section 3 workers residing within the service area or the neighborhood of the project and YouthBuild participants, and (ii) ensure contracts for work awarded in connection with Section 3 projects are provided to Section 3 business concerns that provide economic opportunities to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located, while, where feasible, prioritizing Section 3 business concerns that provide opportunities and training for Section 3 workers residing within the service area or the neighborhood of the project and YouthBuild programs.

**Service Area or Neighborhood**

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

**Subcontractor**

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

**Targeted Section 3 Worker**

A Targeted Section 3 Worker concept prioritizes local employment, housing and community development assistance:

- A worker employed by a Section 3 business concern; or
- A worker who currently fits or fit when hired at least one of the following categories, as documented, within the past five years:
- Low and very low income workers residing within the neighborhood or service area of the project;
- A current YouthBuild participant.

**Very Low Income**

Families (including single persons) whose income does not exceed 50% of the median family income for the area.

**YouthBuild**

Programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

**IV. APPLICABILITY**

The requirements of Section 3 apply to all recipients, contractors, and subcontractors of HUD Housing and Community Development funding the HUD community development financial assistance for the project exceeds the thresholds detailed in the definition of Section 3 project. Section 3 covers all projects whenever any portion of HUD funding is invested into projects involving housing rehabilitation, housing construction, or other public construction projects assisted under HUD programs that provide housing and community development financial assistance.

#### **V. HUD SECTION 3 SAFE HARBOR/BENCHMARKS**

In order to qualify for the Section 3 Safe Harbor, MFA must both certify that it has followed the prioritization of effort outlined in the Section 3 requirements (*see definition*) and meets or exceeds the Section 3 benchmarks. Section 3 Benchmarks are set by Federal Register Notice and amended periodically by HUD to align with the reporting data received. HUD requires a percentage of project labor hours worked by Section 3 workers and targeted Section 3 workers. As of May 2021, the Section 3 benchmarks are as follows:

- 25% or more of total number of labor hours worked by all workers employed on a covered project must be from Section 3 workers.
- 5% or more of total number of labor hours worked by all workers employed on a covered project must be from targeted Section 3 workers.

#### **VI. OVERALL REQUIREMENTS**

MFA's partners on covered projects must work to ensure they meet all Section 3 requirements, guidance and rules, including aiming to meet Section 3 benchmarks. To accomplish this, MFA's partners for covered projects must complete the following:

- Agree to help contractors meet Section 3 requirements and attain Section 3 benchmarks for the covered project.
- Ensure that contractors acknowledge that they have read and understand Section 3 requirements when submitting a proposal or bid.
- Ensure all contractors commit to Section 3 labor hours goals and outline a labor hours plan.
- Ensure all contractors and subcontractors that claim Section 3 business concerns status meet the criteria for self-certification as a Section 3 business concern and are registered at (<https://portalapps.hud.gov/Sec3BusReg/BRegistry/BRegistryHome>).

##### **a. General Reporting Requirements**

Once the contractor is selected, all contracts are subject to the reporting requirements of Section 3. Contractors and subcontractors are required to keep records of identifying documentation, copies of executed subcontracts, overall labor hours on the covered project, Section 3 worker total labor hours, targeted Section 3 worker total labor hours, Section 3 business concerns utilized and associated contracted dollar amount. The documentation and certification submitted at the completion of the Section 3 project should substantiate efforts on achieving performance (see form Section 3 Recipient Compliance). Awarded contracts in connection with project activities, contracts awarded to Section 3 business concerns and the total dollar amount of contracts awarded to Section 3 business concerns (provide each subaward contract). Required documentation

of efforts provided by contractor and subcontractor may also include recruiting efforts, direct mail solicitations, copies of job postings, flyers, advertisements, social media posts, payroll data, internet search results from HUD opportunity portal or workforce solutions, resumes, referral listings, job fair sign in lists, bid or subaward contracts, meeting agendas and training opportunity outreach to produce compliance outcome.

**VII. ADDITIONAL REQUIREMENTS FOR MFA PARTNERS**

In addition to prioritizing the Section 3 requirements as required by 24 CFR Part 75 and striving to meet the benchmarks, MFA's partners that oversee covered projects must implement one of the following:

- Implement contractor and subcontractor bid procurement procedures that give preference to Section 3 business concerns as described in Section VII.a below; or
- Conduct Section 3 worker outreach and development activities as described in Section VII.b below.

**a. Bid Procurement Option**

**i. Procurement Procedures**

Partners that select this option must implement the following procurement procedures for covered activities on covered projects:

1. Small Purchase Procedures. For Section 3 covered contracts aggregating no more than \$25,000, the methods set forth in this paragraph (1) or the more formal procedures set forth below.
  - a. Solicitation.
    - (i) Quotations may be solicited by telephone, letter or other informal procedure provided 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 time within which quotations must be submitted; and
      - the information that must be submitted with each quotation.
    - (ii) If the method described in paragraph (a)(i) 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.
  - b. Award.
    - (i) 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.

(ii) 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:
  - a. 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 is:
    - (i) Within the maximum total contract price established in the contracting party's budget for the specific project for which bids are being taken, and
    - (ii) 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:

Bid Amount	X=Lesser
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.	1.5% of the lowest responsive bid, with no dollar limit.

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

**ii. Contract Language**

If MFA’s partner selects this option, the following language must be included in MFA’s agreement with the partner:

**COVERED CONTRACT CLAUSE**

Section 3 covered contracts after July 1, 2021, shall include the following Clause:

1. *The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 (“Section 3”) as amended (Economic Opportunities for Low- and Moderate-Income Persons, Minority Business Enterprise and Women’s Business Enterprise Policy). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD financial assistance shall be directed to low and very low income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.*
2. *The parties to this contract agree to comply with HUD’s regulations in 24 CFR Part 75, which implement Section 3, including the Section 3 requirements outlined in 24 CFR Part 75.19. As evidenced by their execution of this contract, the parties to this contract certify they are under no contractual or other impediment that would prevent them from complying with the Part 75*

*regulations.*

3. *Contractor will complete, to the satisfaction of the New Mexico Mortgage Finance Authority, all requirements imposed under Section 3, pursuant to 24 CFR § 75 of the Regulations including submitting the Section 3 Recipient Compliance Form attached hereto as Exhibit \_\_\_, along with all required documentation*
4. *The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 75, which implement Section 3, including the Section 3 requirements outlined in 24 CFR Part 75.19. As evidenced by their execution of this contract, the parties to this contract certify they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.*
5. *Contractor certifies that in addition to complying with the Section 3 requirements shown in Section 75.19 it shall meet the procurement procedures outlined below:*
  - a. *Small Purchase Procedures. For Section 3 covered contracts aggregating no more than \$25,000, the methods set forth in this paragraph (1) or the more formal procedures set forth below.*
    - (i) *Solicitation.*
      - (1.) *Quotations may be solicited by telephone, letter or other informal procedure provided 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 time within which quotations must be submitted; and
        - the information that must be submitted with each quotation.
      - (2.) *If the method described in paragraph (i)(1) 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.*
      - (1.) *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.

(2.) 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.

- b. 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 is:
    - (1.) Within the maximum total contract price established in the contracting party's budget for the specific project for which bids are being taken, and
    - (2.) 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:

Bid Amount	X=Lesser
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	7% of that bid, or \$24,000.

less than \$400,000.	
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.	1.5% 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 (b)(i) of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

6. *The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 75, and agrees to collect and provide all contractor and subcontractor information required to meet the reporting requirements of 24 CFR Part 75.25. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge the subcontractor has been found in violation of the regulations in 24 CFR Part 75.*

7. *Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.*

**iii. Documentation Requirements**

In an effort to maximize Section 3 business concerns participation, contractors shall implement strategies for notifying Section 3 business concerns in the metropolitan area (or nonmetropolitan county) or where feasible the service area or neighborhood where the covered project is located about contracting opportunities as they become available. In an effort to seek out Section 3 business concerns, the contractor may publish an opportunity on its company website; notify local chambers of commerce; network through meetings to involve local Section 3 business concerns in the community. In addition to the

form Section 3 Recipient Compliance, the following documents will be required to substantiate Section 3 business concern preference:

- Awarded contracts in connection with the project activities;
- Total dollar amount of the contracts;
- Contractor and subcontractor invitations, bid documentations and a summary of all bids received; and
- Contracts awarded to Section 3 business concerns and the total dollar amount of contracts awarded to Section 3 business concerns (provide each subaward contract).
- Contactors may utilize the HUD opportunity portal (<https://portalapps.hud.gov/Sec3BusReg/BRegistry/BRegistryHome>) to seek out registered Section 3 business concerns in area (provide print out of Section 3 business registry result and contact information).

**b. Outreach and Development Activities Option**

**i. Contract Language**

If MFA's partner selects this option, the following language must be included in MFA's agreement with the partner:

**COVERED CONTRACT CLAUSE**

Section 3 covered contracts after July 1, 2021, shall include the following Clause:

1. *The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 ("Section 3") as amended (Economic Opportunities for Low- and Moderate-Income Persons, Minority Business Enterprise and Women's Business Enterprise Policy). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD financial assistance shall be directed to low and very low income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.*
2. *The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 75, which implement Section 3, including the Section 3 requirements outlined in 24 CFR Part 75.19. As evidenced by their execution of this contract, the parties to this contract certify they are under no contractual or other impediment that would prevent them from complying with the Part 75 regulations.*
3. *Contractor will complete, to the satisfaction of the New Mexico Mortgage Finance Authority, all requirements imposed under Section 3, pursuant to 24 CFR § 75 of the Regulations including*

*submitting the Section 3 Recipient Compliance Form attached hereto as Exhibit \_\_\_, along with all required documentation.*

4. *Contractor certifies that in addition to complying with the Section 3 requirements shown in Section 75.19 it shall meet the outreach and development activities outlined below:*

Following contract completion Contractor shall submit the following evidence that Contractor engaged in outreach efforts to reach Section 3 workers, and Section 3 targeted workers:

- a. Set up recruitment in service area or neighborhood boundaries in the covered project area for hiring efforts to include a job vacancy advertisement by posting notices five days prior to the hiring in the area or vicinity of the contract project and worksite. The notice shall include number of positions; job titles; section 3 hiring preference; name and locations of where to apply; and anticipated work begin date. Possible advertising and posting areas include: nearby housing or housing manager office; faith based organization; community center; related or similar business; community college or trade program; civic associations; social media post (attach copy of notice).
- b. Recruit and train by conducting advertised job fairs monthly until Section 3 workers and targeted Section 3 workers are acquired prior to the job start date. The job fair announcement should include positions available, date, time, and location of fair. Possible advertising and posting areas include: social media; nearby housing or housing manager office; faith based organization; community center; related or similar business; community college or trade program; and civic associations (attach copy of each advertisement and the job fair sign in sheet for attendees).
- c. Utilize the services provided by New Mexico Department of Workforce Solutions. Post a business outreach employment recruitment (attach print out of posting and referral list).
- d. Utilize the services of local YouthBuild program participant (attach program contact documentation).
- e. Utilize the services of the HUD opportunity portal (<https://hudapps.hud.gov/OpportunityPortal/>) to review posted resumes for Section 3 workers available in the area (attach copy of Section 3 Resume or search results).

- f. Utilize the HUD opportunity portal (<https://portalapps.hud.gov/Sec3BusReg/BRegistry/BRegistryHome>) to seek out registered Section 3 business concerns in area (provide print out of Section 3 business registry result and contact information).

5. *The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 75, and agrees to collect and provide all contractor and subcontractor information required to meet the reporting requirements of 24 CFR Part 75.25. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge the subcontractor has been found in violation of the regulations in 24 CFR Part 75.*
6. *Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.*

**ii. Details on Activities and Documentation Requirements**

Following project completion, MFA's partners that select this option must submit the following evidence that partner engaged in outreach efforts to reach Section 3 workers and targeted Section 3 workers:

1. Set up recruitment in service area or neighborhood boundaries in the covered project area for hiring efforts to include a job vacancy advertisement by posting notices five days prior to the hiring in the area or vicinity of the contract project and worksite. The notice shall include number of positions; job titles; Section 3 hiring preference; name and locations of where to apply; and anticipated work start date. Possible advertising and posting areas include: nearby housing or housing manager office; faith based organization; community center; related or similar business; community college or trade program; civic associations; social media post (attach copy of notice).
2. Recruit and train by conducting advertised job fairs bimonthly until Section 3 workers and targeted Section 3 workers are acquired prior to the job start date. The job fair announcement should include positions available, date, time, and location of fair. Possible advertising and posting areas include: social media; nearby housing or housing manager office; faith based organization; community center; related or similar business; community college or trade program; and civic associations (attach copy of each advertisement and the job fair sign in sheet for attendees).
3. Utilize the services provided by New Mexico Department of Workforce Solutions. Post a business outreach employment recruitment (attach print out of posting and referral list).

4. Attempt to utilize the services of local YouthBuild program participant (attach program contact documentation).
5. Utilize the services of the HUD opportunity portal (<https://hudapps.hud.gov/OpportunityPortal/>) to review posted resumes for Section 3 workers available in the area (attach copy of Section 3 resume or search results).
6. Utilize the HUD opportunity portal (<https://portalapps.hud.gov/Sec3BusReg/BRegistry/BRegistryHome>) to seek out registered Section 3 business concerns in area (provide print out of Section 3 business registry result and contact information).



### Section 3 Recipient Compliance

**\*This form must be completed and submitted to MFA by the awarded contractor of a Section 3 covered project and all of his/her subcontractors**

**From:** \_\_\_\_\_ **For:** \_\_\_\_\_  
Name of Contractor Name of Project

#### ***What is Section 3?***

Under Section 3 of the Housing and Urban Development Act of 1968, whenever HUD financial assistance is given for housing or community development, to the greatest extent feasible, economic opportunities will be given to low and very low income workers, targeted section 3 workers, and section 3 business concerns in that area. The project being awarded has funding which is subject to Section 3 requirements. **\*Covered projects contractors and subcontractors are required to show a good faith effort to:**

- Provide employment and training opportunities for **Section 3 Workers** (minimum of 25% total labor hours).
- Provide employment and training opportunities for **Targeted Section 3 Workers** (minimum of 5% total labor hours).
- Provide opportunities for **Section 3 Business Concerns** for service contracts.

#### **I. OVERALL REPORTING:**

##### **A. Confirmation of hiring and training Section 3 Workers and Targeted Workers:**

The total number of labor hours for the covered contract \_\_\_\_\_  
Labor hours for Section 3 workers \_\_\_\_\_  
Labor hours Section 3 targeted workers \_\_\_\_\_

##### **B. Confirmation for contracting with Section 3 Business Concerns:**

- ( ) Awarded \_\_\_\_\_ contracts in connection with these project activities. (attach subaward contract)
- 1) The total estimated dollar of these contracts \$ \_\_\_\_\_.
  - 2) Of these contracts \_\_\_\_\_ awarded to Section 3 business concerns.
  - 3) The total estimated dollar of contracts awarded to Section 3 business concerns \$ \_\_\_\_\_.
- ( ) Section 3 Business is registered on HUD opportunity portal (provide screen print out)

#### **II. ADDITIONAL REQUIREMENT REPORTING:**

Select additional requirement option contractually agreed to by parties:

- ( ) Implement contractor and subcontractor bid procurement procedures that give preference to Section 3 business concerns (See Section VII.a); or  
( ) Conduct Section 3 worker outreach and development activities (See Section VII.b).

##### **A. Section 3 Procurement Preference**

- ( ) Provide bid documentation for contractors and subcontractors showing required Section 3 business concerns preference.

##### **B. Section 3 Outreach and Development Activities**

Select actions partner is contractually required to complete:

- ( ) Recruit, advertise, and train by posting 5 day notices to include number of positions; job titles; section 3 preference; name and locations of where to apply; anticipated work begin date (attach copy of notice).
- ( ) Recruit by conducting advertised bimonthly job fairs (attach copy of advertisement and also each sign in sheet for attendees).
- ( ) Utilize the services provided by New Mexico Department of Workforce Solutions (attach a print out of posting and referral list).
- ( ) Attempt to utilize the services of local YouthBuild program participant (attach program contact documentation).
- ( ) Utilize the services HUD opportunity portal (<https://hudapps.hud.gov/OpportunityPortal/>) (attach copy of Section 3 Resume)
- ( ) Recruit via Section 3 Business Concern (<https://portalapps.hud.gov/Sec3BusReg/BRegistry/BRegistryHome>) (provide print out of Section 3 business registry result)

***I certify that to the greatest extent feasible Section 3 Workers, Targeted Workers, and Business Concerns were sought and utilized for labor, services, and construction subcontracts to comply with Section 3 requirements. I certify no violations of HUD regulations. I certify the information and documentation provided is true and correct.***

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Signature (Contractor or Subcontractor)

Date