



## SECTION 3 BUSINESS APPLICATION

Section 3 of the HUD Act of 1968 (12 U.S.C § 1701u) and its associated regulations (24 C.F.R. Part 75): Establish the federal guidelines for Section 3 funding recipients, subrecipients, contractors, subcontractors, workers, and other stakeholders.

Section 3 is a provision of the Housing and Urban Development Act of 1968. The purpose of 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.

Only businesses pre-certified as a Section 3 Business Concern by Miami Dade County Public Housing and Community Development (PHCD) will be entitled to claim Section 3 Business Preference in any PHCD contracting opportunities. If interested in becoming a PHCD certified Section 3 Business, please complete this Section 3 Business Application and applicable forms included in this package.

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**SECTION 3 BUSINESS APPLICATION**

***A business seeking to qualify for a Section 3 contracting preference shall certify and submit evidence that the business meets criteria of a Section 3 Business Concern as defined by 24 C.F.R. part 75.***

<b>Business Name:</b>		<b>Federal TIN#:</b>	
<b>Business Address:</b>		<b>Phone #:</b>	
<b>Owner's Name:</b>		<b>Cell Phone #:</b>	
<b>Email Address:</b>		<b>Fax #:</b>	

Type of Business:    Corporation    Partnership    Sole Proprietorship    Limited Liability Company

**The documents listed below must be submitted with this application:**

- Licensed issued by the Florida Department of Business and Professional Regulations, or by the Florida Department of Agriculture and Consumer Services, if applicable.
- Miami-Dade County Local Business Tax Receipt
- Ownership structure: List of Owners/Stockholders including ownership percentage (%) of each officer.
- State of Florida Secretary of State Certificate of Good Standing (Sunbiz.org)

**Section 3 Business Concern:** Pursuant to 24 C.F.R. part 75, a business is eligible for Section 3 Business Concern status if it meets any one of the following criteria.

The above-named business is:

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

*If options A or C are selected, please complete "Section 3 Worker Preference Claim/Income Certification" form.*

**I certify to the best of my knowledge that the information contained here within, and in the documents attached, is true and correct.**

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Print Name	Title	Signature	Date
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Completed application and required documentation should be faxed to 786-469-4151 or emailed to [Section3@miamidade.gov](mailto:Section3@miamidade.gov). PHCD is responsible for reviewing and approving all Section 3 Business Applications.

**Only Section 3 Businesses pre-certified by PHCD can claim a Section 3 Business contracting preference.**



Warning: Title 18, US Code Section 1001, states that a person who knowingly and willingly makes false or fraudulent statements to any Department or Agency of the United States is guilty of a felony. State law may also provide penalties for false or fraudulent statements.



**Section 3 Worker Preference Claim/Income Certification**

**What does “Section 3 Worker” mean?**

**Section 3 worker** means any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented: **(I)** The worker's income for the previous or annualized calendar year is below the income limit established by HUD. **(II)** The worker is employed by a Section 3 business concern. **(III)** The worker is a YouthBuild participant.

**What does “Targeted Section 3 Worker” mean?**

A **Targeted Section 3 worker** for Public Housing Financial Assistance projects is a Section 3 worker who: **(I)** Is employed by a Section 3 business concern; or **(II)** Currently fits or when hired at least one of the following categories, as documented within the past five years: A resident of public housing or Section 8-assisted housing; A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or A YouthBuild participant.

**To determine if you are a Section 3 Worker or Targeted Section 3 Worker, please answer the following questions.**

Are you a legal resident of Miami-Dade County?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Are you a Public Housing resident/ living in a public housing unit?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Are you a Section 8 Voucher Holder/ living in a Section 8 or subsidized unit?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Are you a HUD YouthBuild program assistance?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Is your annual household income between the MDC Income Limits for Low- or Very Low-Income listed below?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

(Circle the Income Limit that applies to your household/family)

Miami-Dade County - FY 2021 Income Limits								
Area Median Income (AMI) for Miami-Dade County: \$61,000.00				Effective Date: April 1, 2021				
Family Size	1	2	3	4	5	6	7	8
<b>Very Low (50% of AMI)</b>	\$31,650.00	\$36,200.00	\$40,700.00	\$45,200.00	\$48,850.00	\$52,450.00	\$56,050.00	\$59,700.00
<b>Low (80% of AMI)</b>	\$50,650.00	\$57,850.00	\$65,100.00	\$72,300.00	\$78,100.00	\$83,900.00	\$89,700.00	\$95,450.00

The Miami Dade County’s (MDC) income limits for Very Low- and Low- income families are updated annually by HUD. The MDC income limits can also be found on PHCD’s website at: <https://www8.miamidade.gov/global/housing/income-limits.page> . Only Section 3 Businesses pre-certified by PHCD can claim a Section 3 Business contracting preference.

**Section 3 Worker/ Targeted Section 3 Worker Certification**

Print Name:	Social Security # (last 4- digits):
Address:	Phone #
Email Address:	Employed by:
Annual Family/Household Income: \$	Number of Family/Household Members:

I have attached one of the following documents as proof of my status:

- Proof of residency in a Public Housing, Section 8, or any other federally assisted housing program.
- Proof of income (Tax returns, W-2’S, or most recent paystubs).
- Proof of participation in a HUD YOUTHBUILD program.

**I certify to the best of my knowledge that the information contained here within, and in the documents attached, is true and correct.**

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Print Name \_\_\_\_\_ Title \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_

Completed application and required documentation should be faxed to 786-469-4151, or emailed to [Section3@miamidade.gov](mailto:Section3@miamidade.gov). Warning: Title 18, US Code Section 1001, states that a person who knowingly and willingly makes false or fraudulent statements to any Department or Agency of the United States is guilty of a felony. State law may also provide penalties for false or fraudulent statements.



## Section 3 Clause

The following provisions, as set forth in sections A-F below, shall be included in all section 3 covered contracts (hereinafter referred to as the "Section 3 Clause"). The successful bidder (contractor), and bidder's subcontractors, are bound by the *Section 3 Clause* and must be included such clause in all subcontractor agreements. Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the requirements of 24 Code of Federal Regulations ("CFR") § 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

- 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 the employment and other economic opportunities generated by the United States Department of Housing and Urban Development's ("HUD") assistance of 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 codified in 24 C.F.R. part 75, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the regulations contained in 24 C.F.R. part 75.
- 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 worker's 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 C.F.R. part 75, and further 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 C.F.R. part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 C.F.R. part 75.
- 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 C.F.R. Part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 C.F.R. Part 75.

F. Non-compliance with HUD's regulations as set forth in 24 C.F.R. Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. **Employment and Training.** In addition to the Section 3 Clause, the contractor and its subcontractors shall comply with all the requirements set forth in 24 C.F.R. § 75.9. Consistent with existing Federal, state, and local laws and regulations, the County, as a public housing agency ("PHA") and a recipient of public housing financial assistance, and all contractors and subcontractors, must make their best efforts to provide employment and training opportunities generated by the public housing financial assistance to Section 3 workers. The County and the contractors and subcontractors must make their best efforts described in this section G in the following order of priority:

- (i) To residents of the public housing projects for which the public housing financial assistance is expended;
- (ii) To residents of other public housing projects managed by the PHA that is providing the assistance or for residents of Section 8-assisted housing managed by the PHA;
- (iii) To participants in YouthBuild programs; and
- (iv) To low- and very low-income persons residing within the metropolitan area of Miami-Dade County.

H. **Contracting.** In addition to the Section 3 Clause and consistent with existing Federal, state, and local laws and regulations, the County, as a PHA and the recipient of public housing financial assistance, and all contractors and subcontractors, must make their best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers. The County and all contractors and subcontractors, must make their best efforts described in this section H in the following order of priority:

- (i) To Section 3 business concerns that provide economic opportunities for residents of the public housing projects for which the assistance is provided;
- (ii) To Section 3 business concerns that provide economic opportunities for residents of other public housing projects or Section-8 assisted housing managed by the PHA that is providing the assistance;
- (iii) To YouthBuild programs; and
- (iv) To Section 3 business concerns that provide economic opportunities to Section 3 workers residing within Miami-Dade County.

I. **Housing and Community Development Financial Assistance (only applicable to recipients of HOME Investment Partnership Program (HOME), Community Development Block Grant (CDBG), CDBG Disaster Recovery, and Section 108 Loan Guarantee Program funds)**, Recipients that receive Housing and Community Development Financial Assistance must comply with all requirements found in 24 CFR § 75.19 as follows:

(i) **Employment and Training.** To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by 24 C.F.R. Part 75, subpart C shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within Miami-Dade County. Where feasible, priority for opportunities and training described in this subsection (i) should be given to:

(a) Section 3 workers residing within the service area or the neighborhood of the project, and

(b) Participants in YouthBuild programs.

- (ii) **Contracting.** To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by 24 C.F.R. Part 75, subpart C shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within Miami-Dade County. Where feasible, priority for contracting opportunities described in this subsection (ii) should be given to:
  - (a) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and
  - (b) YouthBuild programs.



## **Section 3 Overview**

### **Section 3 – Definitions**

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

Section 3 is a provision of the Housing and Urban Development Act of 1968. The purpose of 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.

#### **What is a Section 3 project?**

Section 3 projects are housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000.

#### **What Does “Section 3 Business Concern” mean?**

A Section 3 business concern is a business that meets at least one of the following criteria, documented within the last six-month period:

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

#### **What Does “Section 3 Worker” Mean?**

A Section 3 worker is any worker who currently fits, or when hired within the past five years fit, at least one of the following categories, as documented: 1. The worker’s income for the previous or annualized calendar year is below the income limit established by HUD (see Question 6 of this part I of these FAQs, below); 2. The worker is employed by a Section 3 business concern (see Question 5 of part I, below); or 3. The worker is a YouthBuild participant.

#### **What Does “Targeted Section 3 Worker” Mean?**

A Section 3 targeted worker for Public Housing Financial Assistance projects is a Section 3 worker who: (1) is employed by a Section 3 business concern; or (2) currently fits or when hired fit at least one of the following categories, as documented within the past five years: (i) A resident of public housing or Section 8-assisted housing; (ii) A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or (iii) A YouthBuild participant.

#### **How are low-income and very low-income determined?**

Low- and very low-income limits are defined in Section 3(b)(2) of the Housing Act of 1937 and are determined annually by HUD. These limits are typically established at 80 percent and 50 percent of the area median individual income. HUD income limits may be obtained from: <https://www.huduser.org/portal/datasets/il.html>.

#### **What is YouthBuild?**

YouthBuild is a community-based pre-apprenticeship program that provides job training and educational opportunities for at-risk youth ages 16-24 who have previously dropped out of high school.



## **Reporting Requirements**

### **As a funding recipient, what are my Section 3 reporting benchmarks?**

Section 3 reporting goals depend on the type of assistance you are receiving, whether public housing financial assistance or housing and community development financial assistance.

For public housing financial assistance, the benchmark for Section 3 workers is set at 25 percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's or other recipient's fiscal year. The benchmark for Targeted Section 3 workers is set at 5 percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's or other recipient's fiscal year. This means that the 5 percent is included as part of the 25 percent threshold.

For housing and community development financial assistance projects, the benchmark for Section 3 workers is set at 25 percent or more of the total number of labor hours worked by all workers on a Section 3 project. The benchmark for Targeted Section 3 workers is set at 5 percent or more of the total number of labor hours worked by all workers on a Section 3 project. This means that the 5 percent is included as part of the 25 percent threshold.

### **What is the reporting requirement for PHCD?**

Reporting of labor hours is required for Section 3 projects. Recipients must report in a manner prescribed by HUD under 24 C.F.R. Part 75:

- (i) The total number of labor hours worked;
- (ii) The total number of labor hours worked by Section 3 workers; and
- (iii) The total number of labor hours worked by Targeted Section 3 workers.

The labor hours reported must include the total number of labor hours worked on a Section 3 project, including labor hours worked under any subrecipients, contractors, and subcontractors that the recipient is required, or elects pursuant to 24 C.F.R. Part 75, to report.

### **What are the Recordkeeping responsibilities?**

Recordkeeping requirements for recipients are found at 24 C.F.R. § 75.31. Recipients are required to maintain documentation to demonstrate compliance with the regulations and are responsible for requiring their contractors/subcontractors to maintain or provide any documentation that will assist recipients in demonstrating compliance, including documentation that shows hours worked by Section 3 workers, Targeted Section 3 workers, and any qualitative efforts to comply with Section 3. Examples of documentation can be found in 24 C.F.R. §75.31.

In addition, recipients are required to upload Section 3 Workforce reports via PHCD's specified database/software program on a quarterly basis. Recipients must provide timely reporting metrics as directed by PHCD.