

## DU PAGE COUNTY SECTION 3 INITIATIVE AND COMPLIANCE

Federal grant funds awarded by DuPage County to this project are subject to Section 3 compliance as provided in 24 CFR Part 135. The purpose of Section 3 is to ensure that employment and economic opportunities shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed to low-income persons and business concerns which provide opportunities for low-income persons. Section 3 designation is a person whose household income is 80% or less of area median family income (hereinafter, "low-income" or "Section 3 resident"). All contractors providing labor are subject to Section 3 and must complete the following documents (as applicable):

- 0) SECTION 3 CLAUSE: Acknowledgement to be signed by all Section 3 covered contractors (must be signed if the contract is over \$100,000).
- 1) FEDERAL SECTION 3 BUSINESS CONCERN SELF CERTIFICATION (FORM 1): To be completed by all contractors. Describes contractors' Section 3 status based on the following categories:
  - A. Business owned by Section 3 resident;
  - B. 30% of permanent full-time employees are Section 3 residents;
  - C. Subcontract 25% of award amount to Section 3 Business Concerns.
- 2) FEDERAL SECTION 3 RESIDENT SELF CERTIFICATION (FORM 2): To be completed by all business owners claiming Section 3 under category A and/or all Section 3 employees working on this project (Section 3 family income limits are included on the form);
- 3) PERMANENT EMPLOYEE / NEW HIRES LIST (FORM 3): To be completed by all business owners claiming Section 3 under category B or hiring new employees;
- 4) FEDERAL SECTION 3 BUSINESS CONCERN SUBCONTRACTING PLAN (FORM 4): To be completed by all business owners claiming Section 3 under category C;
- 5) FEDERAL SECTION 3 BUSINESS REPORTING (FORM 5): To be completed by all contractors. Information required to complete the federal reporting requirements.

DuPage County is responsible for executing compliance and reporting the outcomes of these efforts. Specifically, under this regulation, DuPage County is responsible for:

- 1) Informing any tier of subrecipients, developers, general contractors, contractors, and subcontractors of the requirements of Part 135;
- 2) Monitor the performance of all tiers in respect to the requirements and objectives of Part 135;
- 3) Notify potential contractors and subcontractors of Section 3 covered opportunities open for bid; and
- 4) Collect and report documentation in respect to all efforts made by tiers to achieve Section 3 participation.

Tiers receiving contracts greater than \$100,000 are covered by Section 3. As related to this project, and to the greatest extent feasible, these tiers are responsible for:

- 1) Contracting or hiring locally
- 2) Contracting at least 10% of the total project cost with Section 3 business concerns
  - a. Businesses which are majority owned by low-income persons qualify
  - b. Businesses which employ at least 30% full-time low-income employees qualify
  - c. Businesses which offer 25% of all subcontracts to Section 3 businesses qualify
- 3) Hiring, at least 30% of all new employees from low-income households
- 4) Refraining from entering into contracts with businesses in violation of Section 3
- 5) Documenting all efforts, actions taken, results, and/or impediments to achieving Section 3 obligations for submission to the DuPage Community Development Commission

Any tier contracting for \$100,000 or less is not responsible for complying with Section 3; however, it is encouraged that any contractor or new hire which qualifies as Section 3 be documented and reported to meet the numerical objectives as a whole.

Noncompliance involving the disregard of actions to be taken and/or documentation of those efforts, whether successful or not, may result in delayed or non-payment of Federal grant awards.

For more information about Section 3 and to access DuPage County's Section 3 certification forms, visit: [http://www.dupageco.org/Community\\_Services/Community\\_Development\\_Commission/31074/](http://www.dupageco.org/Community_Services/Community_Development_Commission/31074/)

SECTION 3 CLAUSE

*The requirements of Section 3 apply to contractors and subcontractors performing work on construction or rehabilitation projects for which the contract/subcontract amount exceeds \$100,000. Any tier contracting for \$100,000 or less is not required to comply; however, it is strongly encouraged.*

TITLE 24 PART 135 ECONOMIC OPPORTUNITIES FOR LOW - AND VERY LOW - INCOME PERSONS  
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 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).

**The undersigned agrees to comply with the Section 3 Guidelines when applicable as referenced by HUD regulations in 24 CFR per 135 as amended.**

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print

\_\_\_\_\_  
Title

\_\_\_\_\_  
Business Name

Project #	
Date	

## FEDERAL SECTION 3 BUSINESS CONCERN SELF CERTIFICATION (Form 1)

(To be completed by business owners)

**PART 1 Business Concern Information:**

<b>Legal Business Name</b>			
<b>Address of Business</b>			
<b>Contact Person</b>		<b>Title</b>	
<b>Telephone #</b>		<b>Fax #</b>	
<b>Email Address</b>		<b>FIN (IRS) #</b>	
<b>Trade(s)</b>			

Business Partners/Owners Name	Title	Address

**PART 2 Section 3 Federal Business Concern:** The above business certifies that it qualifies as a Section 3 Business Concern based on: *(Please check the appropriate category below and provide requested supporting forms)*

**A** Business is majority owned (at least 51%) by Section 3 Resident(s).  
 Must provide signed *Federal Section 3 Resident Self Certification (Form 2)* for the owner(s)

or

**B** At least 30% of the permanent, full-time employees are currently Section 3 Residents or were Section 3 Residents within the past 3 years.  
 Must provide *Permanent Employee / New Hire List (Form 3)*; and  
 Must provide *Federal Section 3 Resident Self Certifications (Form 2)* for all owners and Section 3 employees

or

**C** Commitment to subcontract 25% of the dollar award to qualified Section 3 Business Concerns if awarded contract  
 Must provide signed *Federal Section 3 Subcontracting Plan (Form 4)*; and  
 Must provide signed *Federal Section 3 Business Concern Self Certifications (Form 1)* for all subcontractors

**D** Check "D" if none of the categories above apply to your business.

**PART 3 Other Business Concern:**

**Business is owned by a minority person:**

<input type="checkbox"/> African American	<input type="checkbox"/> Hispanic American
<input type="checkbox"/> Other (Specify):	<input type="checkbox"/> Native American
	<input type="checkbox"/> Asian/Pacific American

**Business is woman owned.**

**PART 4 Business Owner Certification: This certification is valid for a period of 3 years (PLEASE READ CAREFULLY)**

*I authorize the information above to be added to a database of Section 3 Business Concerns that will enable my business to receive notice of contracting opportunities for future Section 3 covered projects. I understand that the Section 3 Business Concern list may provide additional employment opportunities, however inclusion on that list does not guarantee awarding of contracts. I further understand that this list may be accessed by DuPage County staff, developers and contractors working on Section 3 covered projects.*     **Yes**     **No**

*I certify that I will ensure that Section 3 information and its requirements are provided to all employees and lower tier subcontractors involved in the project. Under penalty of perjury I also certify that to the best of my knowledge and belief, data in this form and its attachments are true and correct, and the business will comply with all regulations and guidelines applicable to DuPage County's funding programs. I agree to furnish to DuPage County any requested documentation in support of verification of this self-certification. Furthermore, I acknowledge that this form is a public document subject to the Freedom of Information Act.*

Owner Signature	Date
Print Name	Title

For CDC use only:

Project #	
Date	

## FEDERAL SECTION 3 RESIDENT SELF CERTIFICATION (Form 2)

(To be completed by each business owner if claiming Section 3 under category A of Form 1 and/or all Section 3 employees/residents)

**PART 1 Resident Information:**

<b>Name</b>			
<b>Home Address</b>			
<b>Telephone #</b>		<b>Email</b>	
<b>Name of Employer</b>			

<b>Job Category:</b>	<input type="checkbox"/> Business Owner/Professional	<input type="checkbox"/> Office/Clerical
	<input type="checkbox"/> Technician	<input type="checkbox"/> Trade: _____

<b>Employee Experience/ Training/ Job Skills:</b>	
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**PART 2 Income Survey:**

<i>How many persons live in your home?</i>	_____ persons
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<i>What is the total yearly income of ALL persons, 18 years and older, living in your household?</i>	\$_____ total yearly household income
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Note: Total yearly income means all funds (salaries, dividends, interest, etc.) received during the year, before taxes.

**Please note that in order to qualify as a Section 3 Resident, the total yearly household income must be less than the 2018 Section 3 income limits listed below.**

Persons in Household	1	2	3	4	5	6	7	8
80% AMI (gross income)	\$47,400	\$54,200	\$60,950	\$67,700	\$73,150	\$78,550	\$83,950	\$89,400

**PART 3 Resident Certification: This certification is valid for a period of 3 years (PLEASE READ CAREFULLY)**

*I authorize the information above to be added to a database of Section 3 Residents that will enable me to receive notice of employment for future Section 3 covered projects. I understand the Section 3 Resident list may provide additional employment opportunities, however inclusion on that list does not guarantee employment. I further understand that this list may be accessed by DuPage County staff, developers and contractors working on Section 3 covered projects; however no personal information will be made available to the developers, contractors, or public.     **Yes**       **No***

*Under penalty of perjury I certify that I, \_\_\_\_\_ (print name), am a legal resident of DuPage County and qualify as a Section 3 Resident because I meet the income limits as published on this form OR I am a public housing resident. I agree to furnish to DuPage County any requested documentation in support of verification of this self-certification.*

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

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

For CDC use only:

Project #	
Date	

DuPage County Community Development  
 Commission (CDC) FORM 3 Rev  
 06/01/2018

## PERMANENT EMPLOYEE / NEW HIRES LIST (Form 3)

(To be completed by business owners if claiming Section 3 under category B of Form 1 or business owners hiring new employees)

**PART 1 Business Concern Information:**

<b>Legal Business Name</b>			
<b>Address of Business</b>			
<b>Contact Person</b>		<b>Title</b>	
<b>Telephone #</b>		<b>Fax #</b>	
<b>Email Address</b>		<b>FIN (IRS) #</b>	

**PART 2 List all full-time employees:** (Attach additional sheets as needed.)

Employee Name	New Hire (yes/no)	Trade	Section 3 (yes/no)*
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20.			

<b>Total number of all employees:</b>	
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<b>Have you, or do you, anticipate hiring new employees for this project?</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> No
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**\* Provide Section 3 Resident Self Certification (Form 2) for all employees that qualify as Section 3 Residents. Please note that in order to qualify as a Section 3 Resident, the total yearly household income must be less than the 2018 Section 3 income limits listed below.**

Persons in Household	1	2	3	4	5	6	7	8
80% AMI (gross income)	\$47,400	\$54,200	\$60,950	\$67,700	\$73,150	\$78,550	\$83,950	\$89,400

**PART 3 Certification: (PLEASE READ CAREFULLY)**

*Under penalty of perjury I certify that I am an owner/officer of the business and further certify that to the best of my knowledge and belief, data in this form and its attachments are true and correct, and the business will comply with all regulations and guidelines applicable to DuPage County's funding programs. I agree to furnish to DuPage County any requested documentation in support of verification of this form. Furthermore, I acknowledge that this form is a public document subject to the Freedom of Information Act.*

Authorized Signature	Date
Print Name	Title

For CDC use only:

Project #	
Date	

**FEDERAL SECTION 3 BUSINESS CONCERN SUBCONTRACTING PLAN (Form 4)**  
(To be completed by business owners only if claiming Section 3 under category C of Form 1)

**PART 1 Business Concern Information:**

<b>Legal Business Name</b>			
<b>Address of Business</b>			
<b>Contact Person</b>		<b>Title</b>	
<b>Telephone #</b>		<b>Fax #</b>	
<b>Email Address</b>		<b>FIN (IRS) #</b>	

**PART 2 Subcontractors:**

Name of Subcontractor	Type of Contract (trade)	Estimated Contract Amount	Section 3 Business Concern (yes/no) *
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			

\* Provide Section 3 Business Concern Self Certification (Form 1) for all subcontractors that qualify as Section 3.

**PART 3 Business Concern Contract and Subcontract(s) Amounts:**

<b>Total contract amount</b>	\$	<b>Estimated amount to be subcontracted</b>	\$
<b>Amount to be subcontracted to Section 3 businesses:</b>	\$	<b>% of subcontracts that are Section 3</b>	%

**PART 4 Certification: (PLEASE READ CAREFULLY)**

*Under penalty of perjury I certify that I am an owner/officer of the business and further certify that to the best of my knowledge and belief, data in this form and its attachments are true and correct, and the business will comply with all regulations and guidelines applicable to DuPage County's funding programs. I agree to furnish to DuPage County any requested documentation in support of verification of this form. Furthermore, I acknowledge that this form is a public document subject to the Freedom of Information Act.*

_____ Signature	_____ Date
_____ Print	_____ Title

Project #	
Date	

## FEDERAL SECTION 3 BUSINESS REPORTING (Form 5)

(To be completed by business owners - General Contractor & Subcontractors – only if awarded contract)

**PART 1 Business Concern Information:**

Please complete this form pertaining to the dollar amount your business has contracted for under this project.

<b>Legal Business Name</b>			
<b>Address of Business</b>			
<b>Contact Person</b>		<b>Title</b>	
<b>Telephone #</b>		<b>Fax #</b>	
<b>Email Address</b>		<b>FIN (IRS) #</b>	

<b>Project Name</b>		<b>General or Subcontractor</b>	
<b>Contract Amount</b>	\$	<b>Number of Subs Hired</b>	

**PART 2 Employment and Training Data:**

Please provide any employment and training figures concerning New Hires and Section 3 status:

Job category	Number of New Hires	Number of Section 3 New Hires	Number of Section 3 Trainees or Apprentices
Professionals			
Technicians			
Office/Clerical			
Construction Trade (Specify below):			
Other Categories (Specify below):			

**PART 3 Contracting Data:**

Construction Contracts:

Total dollar amount of your contract on this project:	\$
Total dollar amount subcontracted to Section 3 businesses:	\$
Percentage of total dollar amount subcontracted to Section 3 businesses:	
Total number of Section 3 Certified Businesses receiving contracts:	

Non-construction Contracts (engineering, architectural):

Total dollar amount of non-construction contracts received on this project:	\$
Total dollar amount subcontracted to non-construction Section 3 businesses:	\$
Percentage of total dollar amount subcontracted to non-construction Section 3 businesses:	
Total number of non-construction Section 3 businesses receiving contracts:	

**PART 4 Certification: (PLEASE READ CAREFULLY)**

*Under penalty of perjury I certify that I am an owner/officer of the business and further certify that to the best of my knowledge and belief, data in this form and its attachments are true and correct, and the business will comply with all regulations and guidelines applicable to DuPage County's funding programs. I agree to furnish to DuPage County any requested documentation in support of verification of this form. Furthermore, I acknowledge that this form is a public document subject to the Freedom of Information Act.*

Authorized Signature	Date
Print	Title