

Section 3 Understanding

LINE 1: Project Name: _____ City Contract #: _____

LINE 2: Developer Name: _____

LINE 3: Contractor Name (if applicable): _____

LINE 4: Subcontractor to LINE 3 (if applicable): _____

LINE 5: Subcontractor to LINE 4 (if applicable): _____

LINE 6: Subcontractor to LINE 5 (if applicable): _____

The U.S. Department of Housing and Urban Development (HUD) issued regulations that provide the directive to create job opportunities for low-income persons when HUD funds are expended on a construction project. These regulations are known as Section 3 Policy. The purpose of the Section 3 Policy is to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons.

Section 3 covered projects are construction, reconstruction, conversion or rehabilitation of housing, (including reduction and abatement of lead- based paint hazards, but excluding routine maintenance, repair and replacement) or other public construction which includes building and improvements assisted with HUD housing and community development assistance. Section 3 covered contracts do not include contracts for purchase of supplies and materials. However, whenever a contract for materials includes the installation of materials, the contract constitutes a Section 3 covered contract.

Contractors and their subcontracts must show compliance with the numerical goals set forth by the regulations. The numerical goals for new hires apply only to the number of new hires generated because of the financial assistance of the HUD programs. The numerical goals are not absolute numerical requirements. They are goals that each recipient and contractor should try to reach. The goals, if not met, do not trigger sanctions against the recipient or contractor. However, if challenged on the issue of compliance with Section 3, the recipient or contractor should be ready to demonstrate that they tried to reach these goals. The employment goal for employment is 30 percent of new hires annually.

In addition, contractors/developers and subcontractors are required to show compliance with the goal that at least 10% of any building trade activity that is subcontracted, and 3% of non-building trade activity (construction management, etc.) is awarded to eligible Section 3 business concerns.

Further information regarding these requirements may be found in the Federal Regulations at 24 CFR 135 and the City of Cincinnati Section 3 Plan.

I certify that I have read the information above and understand the Section 3 requirements and numerical goals.

Print Name: _____

Title: _____

Signature: _____ Date: _____