



***LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT***  
**DIVISION OF GRANTS  
AND SPECIAL PROGRAMS**

## Section 3 Plan

RESOLUTION NO. \_\_\_\_\_ - 2018

A RESOLUTION TO ADOPT A SECTION 3 PLAN AS REQUIRED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) REQUIREMENTS IN TITLE 24, PART 135 OF THE CODE OF FEDERAL REGULATIONS.

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WHEREAS, the United States Congress passed Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) to further the goal of ensuring that federal funds benefit the residents of projects funded wholly or in part by those funds; and

WHEREAS, Part 135 of Section 3 is to establish the standards and procedures to be followed to ensure that the objectives of Section 3 are met; and

WHEREAS, the Lexington – Fayette Urban County Government Division of Grants and Special Programs has developed a Section 3 Plan in adherence to 24 CFR, Part 135 that comprehensively addresses the standards and procedures prescribed in the Act; and

WHEREAS, the Section 3 Plan has been reviewed by the Lexington-Fayette Urban County Council and their comments incorporated into the Plan.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 – That the Lexington – Fayette Urban County Government adopt and implement the Section 3 Plan to ensure compliance with Federal Law.

Section 2 - That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CLERK OF URBAN COUNTY COUNCIL

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## **General Policy Statement**

It is the policy of Lexington-Fayette Urban County Government (LFUCG) to require its contractors to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's or marital status, or economic status and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

LFUCG implements this policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of Fayette County and other qualified low- and very low – income persons residing in low – moderate income areas.

The policy shall result in a reasonable level of success in the recruitment, employment, and utilization of low- and very low – income residents and other eligible persons and business by contractors working on contracts partially or wholly supported with funds from the United States Department of Housing and Urban Development (HUD). LFUCG shall examine and consider a contractor's or vendor's potential for success by providing employment and business opportunities to low- and very low – income residents prior to acting on any proposed contract award.

## **Purpose**

The United States Congress passed Section 3 of the Housing and Urban Development Act of 1968 to further the goal of ensuring that residents benefit from projects that are totally or partially federally funded. The Housing and Urban Development Act of 1968, as amended by Housing and Urban Development Act of 1994, requires that to the greatest extent feasible the LFUCG ensure employment and other economic opportunities generated by the Department of Housing and Urban Development (HUD) funds be directed to low- and very-low income residents within the project area.

LFUCG is committed to helping low income residents and businesses receive economic opportunities through training, employment and contracting from HUD assisted projects. LFUCG will ensure that recipients of federal funds for HUD assisted contracts make good faith efforts to provide “to the greatest extent feasible” employment, training and contracting opportunities to Section 3 residents and business concerns.

## **Section 3 Contracting Policy and Procedure**

LFUCG shall incorporate Section 3 in all Procurements generated for use with HUD funding and follow goal requirements set forth in 24 CFR Part 135 for awarding contracts to Section 3 Business Concerns. Preference shall be given to the greatest extent feasible to section 3 business concerns in the following order of priority as set forth in 24 CFR Part 135.36(a)(2):

- 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.

All contractors/businesses seeking Section 3 preference must, before submitting bids/proposals, complete certifications, as appropriate, as acknowledgement of the Section 3 contracting and employment provisions required by this section. Such certifications issued by LFUCG Division of Grants and Special Programs shall be adequately supported with appropriate documentation as referenced in the form.

The LFUCG Procurement Policy also contains goal requirements for awarding contracts to Disadvantaged Business Enterprises, Minority and Women Business Enterprises and Veteran Owned Small Businesses.

### **Section 3 Action Plan**

The LFUCG has developed this Section 3 Action Plan to identify and implement the applicability of provisions of 24 CFR Part 135 objectives. This action plan shall ensure compliance with the requirements of Section 3.

The plan covers the LFUCG Division of Grants and Special Programs projects that fall under Community Development Block Grant (CDBG), HOME Investment Partnership, Housing Rehabilitation, and Public Improvement Construction projects.

### **Section 3 Employment & Training Goals**

It is the policy of the LFUCG to utilize residents and other Section 3 eligible persons and businesses in the contracts partially or wholly supported with funds from HUD. LFUCG has established employment and training goals that contractors and subcontractors should meet in order to comply with Section 3 requirements. (Reference 24 C.F.R § 135.30 – Numerical goals for meeting the greatest extent feasible requirement). The numerical goal is:

- Thirty percent (30%) of the aggregate number of new hires in any fiscal year.

It is the responsibility of contractors, vendors and suppliers to implement progressive efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goals were not feasible. All contractors submitting bids or proposals to LFUCG are required to certify that they comply with the requirements of Section 3.

The Section 3 Contract Clause specifies the requirements for contractors hired for Section 3 covered projects. The Section 3 Clause must be included in all Section 3 covered projects. The Section 3 Contract Clause is included in the plan form “I”.

### **Section 3 Program Participant Certification Procedure**

LFUCG will certify Section 3 program participants who reside in the City of Lexington or Fayette County (in which the Section 3 covered assistance is expended) who are seeking preference in training and employment. A copy of the Section 3 Resident Preference Claim

form can be obtained from the LFUCG Division of Grants and Special Programs.

- All persons shall certify that they meet the requirements of a Section 3 resident by completing the Section 3 Worksheet form “E” and attaching all required documents.
- A copy of the completed form should be forward to the LFUCG Division of Grants and Special Programs Section 3 Coordinator along with all required documents.

### **Contractor’s Requirements in Employing Section 3 Participants**

Under the LFUCG Section 3 Program, contractors and subcontractors are required to:

- Provide employment opportunities to Section 3 residents/participants in the priority order listed below:
  - a) Category 1 – Section 3 Resident**  
Residents of the housing development or developments for which the contract shall be expended. Residents may be located in, adjacent to, or near affected area.
  - b) Category 2 – Section 3 Resident**  
Residents of other housing development managed by the Lexington-Fayette Urban County Housing Authority.
  - c) Category 3 – Section 3 Resident**  
Participants in a Youthbuild program being carried out in the project boundary area.
  - d) Category 4 – Section 3 Resident**  
Residents of Section 8 of the Lexington Housing Authority as well as other residents in the Fayette County who meet the income guidelines for Section 3 preference (refer to current Section 3 Income Limits)
- After the award of contracts, the contractor must, prior to beginning work, inform Section 3 participants of the development at which the work will be performed, by providing the following:
  1. Names of the Section 3 business concerns to be utilized,
  2. Estimates of the number of employees to be utilized for contract,
  3. Projected number of available positions, to include job descriptions and wage rates (construction wages consistent with Davis Bacon),
  4. Efforts that will be utilized to seek Section 3 participants. (See Exhibit 2)
- Contractors must notify the Section 3 Coordinator of their interests regarding employment of Section 3 participants prior to hiring. The Section 3 Coordinator will ensure that the participant is Section 3 eligible, by reviewing their Section 3 certification and required documentation certifying Section 3 residents.

- Submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) prior to start of project.
- Immediately notify the Section 3 Coordinator of any problems experienced due to the employment of Section 3 participants.
- Immediately notify the Section 3 Coordinator if a participant quits, walks off, or is terminated for any reason. The contractor must provide written documentation of all such incidents to support such decisions to the Section 3 Coordinator to determine if an investigation is warranted.

### **Assisting Contractors to Achieve Section 3 Goal Hiring and Contracting Goals**

LFUCG will assist contractors with little or no experience in achieving Section 3 hiring and contracting goals by:

1. Requiring the contractor to present a list, to the Section 3 Coordinator, of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract.
2. LFUCG Section 3 Coordinator will provide the contractor with a list of interested and qualified Section 3 residents for construction projects.
3. LFUCG Section 3 Coordinator will provide contractor with a list of Section 3 business concerns interested and qualified for construction projects.
4. LFUCG Division of Grants and Special Programs will post on its website the Section 3 Clause and information regarding Section 3 residents and Section 3 Business Concerns requirements, Section 3 forms and contact information for any questions or concerns regarding Section 3.

### **Preference for Contracting with Section 3 Business Concerns**

LFUCG, in compliance with Section 3 regulations, will require contractors and subcontractors (including professional service contractors) to direct their efforts towards contracts with Section 3 business concerns based on one of the following categories:

- **Category 1:** Business concerns that are 51% or more owned by Section 3 residents; or
- **Category 2:** Whose full-time permanent workforce includes 30% of whom are currently section 3 residents or who are within 3 years of the date of first employment with the business were Section 3 residents; or
- **Category 3:** That provides evidence of a commitment to subcontract in excess of 25% of the total dollar award of all subcontracts to businesses that meet qualifications set forth in category 2 and 3 of this paragraph.

Contractors and subcontractors are expected to extend to the greatest extent feasible, efforts to achieve the numerical goals established by LFUCG.

### **Efforts to Award Contract Opportunities to Section 3 Business Concerns**

LFUCG, the contractors and subcontractors may use any or all of the following to notify and contract with Section 3 business concerns when contracting opportunities exist.

- Advertise contracting opportunities via newspaper, mailings, and online posting of notices that provide general information about the work to be contracted and where to obtain additional information.
- Provide written notice of contracting opportunities to all known Section 3 business concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to the bid invitation.
- Coordinate with LFUCG Division of Purchasing pre-bid meetings at which the Section 3 business concerns would be informed of upcoming contracting opportunities in advance.
- Provide resources or seek out training to assist residents interested in starting their own businesses to learn to prepare contracts, prepare taxes, obtain licenses, bonding, and insurance.

### **Section 3 Residents Recruitment, Training, and Employment Goals**

LFUCG will develop resources to provide training and employment opportunities to Section 3 program participants by implementing the following:

- Training opportunities will be advertised by distributing flyers and posting signs in areas near project site.
- The resident councils, resident management corporations, as well as neighborhood community organizations will be contacted to request their assistance in notifying residents of the available training and employment opportunities.
- Employment opportunities will be advertised by posting job vacancies online, flyers, signs, pre – bid meeting.
- A database will be developed of eligible qualified Section 3 Business concerns to contact with respect to the availability of contract opportunities.
- A file of eligible qualified Section 3 residents will be maintained at the LFUCG Division of Grants and Special Programs.



## **Evidence of Section 3 Business Certification**

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with LFUCG shall complete the Certification for Section 3 Business form, which can be obtained from the LFUCG Division of Grants and Special Programs Section 3 Coordinator. The business seeking Section 3 preference must be able to provide adequate documentation as evidence of eligibility for preference under the Section 3 Program.

Certifications for Section 3 preference for business concerns must be submitted to the Section 3 Coordinator of the LFUCG Division of Grants and Special Programs prior to the submission of bids for approval. If the Section 3 Coordinator previously approved the business to be Section 3 certified, then the certification can be submitted along with the bid. (See form D)

## **Section 3 Contract Compliance**

The LFUCG Division of Grants and Special Programs will ensure compliance by implementing the following:

- Attend pre-Construction conference with Contractors and subcontractors to provide information on Section 3 requirements.
- Maintain an ongoing database of certified Section 3 businesses through LFUCG Division of Purchasing, as well as a file of certified Section 3 residents. Information will be shared with prime contractors during pre-Construction meetings upon request.
- Verify upon review –all contracts include the “Section 3 Clause” as required by 24 CFR 135. Appendix “A”
- Ensure that each contractor/developer submits a signed Section 3 Employment, Training and Contracting agreement acknowledging compliance of the Housing Development Act of 1968. Form “I”
- Ensure that contractor/developer submit a signed Section 3 Bidder’s Certification form acknowledging that they have read and understand the Section 3 Clause and neither the project or company has any restrictions or disabilities which would prevent them from complying with said requirements. Form “A”.
- Request proof and maintain files of “To the Greatest Extent Feasible” the good faith effort made to notify Section 3 residents and businesses of employment and contracting opportunities available.
- Conduct on – site monitoring and employee interviews to ensure Section 3 compliance.
- Conducts Section 3 Certification training in conjunction with the Minority Business Enterprise Program workshop series, ‘Your Passport to Opportunity: Which Certification is Right for Me’ two or three times a year.

### **Section 3 Penalties for Non – Compliance**

Any Contractor or Developer found to be non – compliant shall be subject to the following penalties:

- Withholding from the contractor or developer in violation of all future payments under the involved government – assisted project until it is determined that the contractor or developer is in compliance.
- Refusal of all future bids on city projects or applications for financial assistance in any form from the city or any of its departments or divisions, until such time as the contractor or developer demonstrates that there has been established and there shall be carried out all of the sections of this article.
- Cancellation of the eligible project.

### **Internal Section 3 Complaint Procedure**

In an effort to resolve complaints generated due to non-compliance through an internal process, the LFUCG Division of Grants and Special Programs encourages submittal of such complaints to its Section 3 Coordinator as follows:

- Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR 135.
- Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- An investigation will be conducted if complaint is found to be valid. The Section 3 Coordinator will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.

Submit Complaint to:

Lexington-Fayette Urban County Government  
Division of Grants & Special Programs  
Attn: Celia Moore  
200 East Main Street. 6th Floor  
Lexington, KY 40507

If complainants wish to have their concerns considered outside of the Lexington-Fayette Urban County Government a complaint may be filed with:

**ATLANTA REGIONAL OFFICE**  
U.S. Department of Housing and Urban Development  
Southeast Office  
40 Marietta Street

Atlanta, GA 30303  
(404) 331-5140  
(800) 440-8091  
Fax: (404) 331-1021  
Email: [complaints\\_office\\_04@hud.gov](mailto:complaints_office_04@hud.gov)

The complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

## **Section 3 Reporting**

### Annual Reporting

- The Section 3 Summary Report shall be submitted annually at the same time as the annual performance (CAPERS) report. The report shall be submitted on form HUD-60002 online through SPEARS.

### Monthly Reporting

- General contractors and subcontractors are required to submit monthly compliance reports detailing the contractor's progress in meeting Section 3 goals throughout the contract to the Section 3 Coordinator.

## **Thresholds**

Section 3 requirements only apply when any of the following thresholds are reached:

1. A recipient that receives community development or housing assistance covered by Section 3 for which the amount of assistance exceeds \$200,000.
2. Contractors and subcontractors performing work on the Section 3 covered project(s) for which the total amount of the assistance exceeds \$200,000 and the contractor and/or subcontractor amount exceeds \$100,000.

## **Forms**

### **A. Contractor:**

The following forms are completed when the contract exceeds \$200,000 and sub – contract exceeds \$100,000:

Bidder's Certification – (Section 3 Form A) this form certifies contractor has read and understands the Section 3 resident and business requirements as found in the Section 3 Clause, 24 CFR 135.

Estimated Workforce Breakdown – (Section 3 Form B) this form is completed at the beginning of the project.

Section 3 Monthly Report – (Section 3 Form C) completed at the beginning of each month and submitted to LFUCG Division of Grants and Special Programs.

Certification of Section 3 Business Concern – (Section 3 Form D) completed if contractor qualifies as a Section 3 Business.

Certification for Section 3 Resident – (Section 3 Form E) completed by Section 3 employees.

Section 3 Notice of Commitment – (Section 3 Form F) completed by the contractor and posted on the work site listing employment, training and contracting opportunities to Section 3 residents and businesses.

Section 3 Employment, Training and Contracting Agreement – (Section 3 Form G) completed by contractor acknowledging and agreeing to comply with the Section 3 Housing Development Act of 1968.

Section 3 Project Summary Report – (Section 3 Form H) completed by contractor/ subrecipient at end of the reporting period (July 1 – June 30) or at the end of the project whichever comes first.

Section 3 Complaint Register Form – (Section 3 Form I)

**B. Recipient:**

- Section 3 Summary Report – (Section 3 Form H) is completed using information from contractors/developer/subcontractors Section 3 monthly report for Section 3 qualified contracts.

**C. Additional Forms**

- Compliant Register form – (Section 3 Form I) is completed to report non – compliance with Section 3 of Housing and Urban Development Act of 1968.

**SECTION 3 - FORM A  
(DUE WITH BID)**

**Lexington-Fayette Urban County Government**  
**Division of Grants & Special Programs**  
200 East Main Street, 6<sup>th</sup> Floor  
Lexington, KY 40507

**SECTION 3 BIDDER'S CERTIFICATION**

Name of Company: \_\_\_\_\_

Address: \_\_\_\_\_

Project Name: \_\_\_\_\_ Number: \_\_\_\_\_

This is to certify that I have read and understand the Section 3 resident employment and Section 3 business utilization requirements that apply to the above cited project, said requirements being known as the Section 3 Clause found in 24 CFR 135 and that neither the project nor the company are under any contractual restrictions or other disabilities which would prevent the company from complying with said requirements.

\_\_\_\_\_  
Officer or Authorized Agent of Company  
Printed

\_\_\_\_\_  
Officer/Agent's Title  
Print

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date





**SECTION 3 FORM C  
(cont.)**

**Part II Contracts Awarded**

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 businesses receiving contracts \_\_\_\_\_

**Part III: Summary**

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low-and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply – documentation required.)

\_\_\_\_\_ Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or non-metropolitan county) in which the Section 3 covered program or project is located, or similar methods. (Attach date marked documentation, e.g. invoices, photo of signs, contact names and phone numbers, etc.)

\_\_\_\_\_ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents. (Provide name of program and contract)

\_\_\_\_\_ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns. . (Provide name of program and contract)

\_\_\_\_\_ Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located. . (Provide name of program and contract)

\_\_\_\_\_ Other efforts or explanations please describe below. (Attach additional pages as needed)

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Forward To: LFUCG Division of Grants & Special Programs  
Attn: Celia Moore  
200 East Main Street, 6<sup>th</sup> Floor  
Lexington, KY 40507  
(859) 258-3070



Lexington-Fayette Urban County Government  
Division of Grants & Special Programs

CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3  
PREFERENCE IN CONTRACTING AND DEMONSTRATION OF CAPBILITY

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

Address of Business \_\_\_\_\_

Business Telephone Number: \_\_\_\_\_

Business Point of Contact: \_\_\_\_\_

Email: \_\_\_\_\_

Number of employees: \_\_\_\_\_ Year established: \_\_\_\_\_

Business license: \_\_\_\_\_

DUNS number: \_\_\_\_\_ FEIN: \_\_\_\_\_

Business Capabilities: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Type of Business:     Corporation             Partnership  
                              Sole Proprietorship     Joint Venture

Attached is the following documentation as evidence of status:

**For Business claiming status as a Section 3 resident-owned enterprise:**

- Copy of Public Housing resident lease             Copy of receipt of public assistance
- Copy of evidence of participation     Other evidence (Income verification)  
in a public assistance program

**For business entity as applicable:**

- Copy of Articles of Incorporation             Certificate of Good Standing
- Assumed Business Name Certificate     Partnership Agreement
- List of owners/stockholders and  
% ownership of each             Corporation Annual Report
- Organization chart with names and titles  
and brief function statement     Latest Board minutes appointing officers
- Fayette County Business License             Additional documentation

**For business claiming Section 3 status by subcontracting 25 percent of the dollar awarded to qualified Section 3 business:**

- List of subcontracted Section 3 business(es) and subcontract amount

**For business claiming Section 3 status, claiming at least 30 percent of their workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business:**

- List of all current full-time employees
- List of employees claiming Section 3 status
- PHA Residential lease less than 3 years from day of employment
- Other evidence of Section 3 status less than 3 years from date of employment

**Evidence of ability to perform successfully under the terms and conditions of the proposed contract:**

- Current financial statement
- Statement of ability to comply with public policy
- List of owned equipment
- List of all contracts for the past two years

By submitting this form, my business certifies that the statements and information contained on this form are true and accurate, and meet the required HUD Section 3 business self-certification eligibility requirements in accordance with 24 CFR Part 135.

\_\_\_\_\_  
Authorizing Name

\_\_\_\_\_  
Authorizing Signature

\_\_\_\_\_  
Date

Attested by: \_\_\_\_\_

Forward To:                    LFUCG Division of Grants & Special Programs  
  Attn: Celia Moore  
  200 East Main Street, 6<sup>th</sup> Floor  
  Lexington, KY 40507  
  (859) 258-3070

SECTION 3 RESIDENT EMPLOYMENT OPPORTUNITY DATA

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

ELIGIBILITY FOR PREFERENCE

**Eligibility for Preference**

A section 3 resident seeking the preference in 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 Section 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.)

**Certification for resident seeking Section 3 preference in training and employment**

I, \_\_\_\_\_, am a legal resident of the \_\_\_\_\_ and meet the income eligibility guidelines for a low- or very-low income person as published below. My permanent address is: \_\_\_\_\_

I have attached the following documentation as evidence of my status:

- Copy of lease
- Copy of evidence of participation in a public assistance program
- Copy of receipt of public assistance
- Other evidence (pay stubs, tax forms)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**SECTION 3 INCOME LIMITS**

All residents of public housing developments of the Lexington-Fayette Urban County Housing Authority qualify as Section 3 residents. Additionally, individuals residing in Lexington-Fayette County who meet the income limits set forth below can also qualify for Section 3 status.

A picture identification card and proof of current residency is required.

**Eligibility Guideline**

<b>Number in Household</b>	<b>Very Low Income</b>	<b>Low Income</b>
1 individual	\$23,450	\$37,450
2 individuals	\$26,800	\$42,800
3 individuals	\$30,150	\$48,150
4 individuals	\$33,450	\$53,500
5 individuals	\$36,150	\$57,800
6 individuals	\$38,850	\$62,100
7 individuals	\$41,500	\$66,350
8 individuals	\$44,200	\$70,650

**SECTION 3 FORM F**

**Lexington-Fayette Urban County Government  
Division of Grants & Special Program**

**SECTION 3 NOTICE OF COMMITMENT**

**To:** \_\_\_\_\_

The following project named, \_\_\_\_\_ located at \_\_\_\_\_ is a Section 3 covered project pursuant to Section (C) of 24 CFR 135.38 of Section 3 of the Housing and Urban Development Act of 1968, which receives funding from Lexington – Fayette Urban County Government.

This project require the hiring of low to very low – income residents (Section 3 Residents) or contracting with low – income businesses (Section 3 Business Concerns)

The following economic opportunities are available:

Positions	Training	Contracting

Please contact the following person \_\_\_\_\_ regarding these opportunities at this phone number \_\_\_\_\_.

The anticipated date the work shall begin is \_\_\_\_\_.

If you apply for a job as a Section 3 Resident you will be required to submit information verifying your income family size. Section 3 Residents receiving hiring preferences on Section 3 covered projects. The order of priority is listed on the reverse side of this notice. Businesses wishing to receive preferences as a Section 3 Business Concern must be certified with Lexington – Fayette Urban County Government prior to being awarded preferences as a Section 3 Business Concern.

Please contact Celia Moore at 859-258-3070 or [cmoore@lexingtonky.gov](mailto:cmoore@lexingtonky.gov) for more information regarding Section 3.

**SECTION 3: EMPLOYMENT, TRAINING AND CONTRACTING AGREEMENT**

I hereby acknowledge and agree to comply with Section 3 of the Housing Development Act of 1968, as amended, and fully understand that failure to do so, as determined by a finding by the Lexington – Fayette Urban County Government shall result in termination of this contract for default, and /or debarment or suspension from future HUD assisted contracts.

Name of Company/Business: \_\_\_\_\_

Name of Person Authorized  
to Represent Contractor: \_\_\_\_\_

Title of Person Authorized  
to Represent Contractor: \_\_\_\_\_

Signature of Person Authorized  
to Represent Contractor: \_\_\_\_\_

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



**SECTION 3 PROJECT SUMMARY (cont.)**

**Part II Contracts Awarded**

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 businesses receiving contracts \_\_\_\_\_

**Part III: Summary**

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low-and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply – documentation required.)

\_\_\_\_\_ Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or non-metropolitan county) in which the Section 3 covered program or project is located, or similar methods. (Attach date marked documentation, e.g. invoices, photo of signs, contact names and phone numbers, etc.)

\_\_\_\_\_ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents. (Provide name of program and contract)

\_\_\_\_\_ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns. . (Provide name of program and contract)

\_\_\_\_\_ Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located. . (Provide name of program and contract)

\_\_\_\_\_ Other efforts or explanations please describe below. (Attach additional pages as needed)

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Forward To: LFUCG Division of Grants & Special Programs  
Attn: Celia Moore  
200 East Main Street, 6<sup>th</sup> Floor  
Lexington, KY 40507  
(859) 258-3070



**SECTION 3 FORM I**

**U.S. Department of Housing and Urban Development**  
Office of Fair Housing and Equal Opportunity

**Complaint Register**

Under Section 3 of the Housing  
And Urban Development Act of 1968

**Instructions:** This form is to be used to report allegations of noncompliance with Section 3 of the Housing and Urban Development Act of 1968, as amended and implementing regulations at 24 CFR Part 135.

<b>1. Complainant Information:</b>	
Name of Complainant (Person or organization)	Home Phone
Street Address	Work Phone
City, State, Zip code	
Email Address:	

<b>2. You are: (check all that apply)</b>	
<input type="checkbox"/> Low/Very Low Income Person	<input type="checkbox"/> Section 3 Business
<input type="checkbox"/> Public Housing Resident	<input type="checkbox"/> A Representative of a Section 3 Business
<input type="checkbox"/> HUD Youthbuild Participant	<input type="checkbox"/> Other: _____
<input type="checkbox"/> A Representative of any of the above listed Individuals (Such as: a Low-Income Person or Public Housing Resident)	

<b>3. Basis for alleged noncompliance with Section 3:</b>
<input type="checkbox"/> Denied Training <input type="checkbox"/> Denied Employment <input type="checkbox"/> Denied Contracting <input type="checkbox"/> Other (see below in item 6)

<b>4. Complaint is against: (check one or more boxes)</b>
<input type="checkbox"/> Recipient of HUD Funds (Such: as a PHA, city/county agency, etc.)
<input type="checkbox"/> Contractor
<input type="checkbox"/> Subcontractor
<input type="checkbox"/> Other (please specify): _____

<b>5. Who is this complaint being filed against?</b>	
Name of agency, organization, or company:	Business Phone
Street Address	
City, State, Zip code	
Name and identify others (if any) who allegedly violated Section 3 in this case:	

**6. How did the HUD recipient, contractor, or subcontractor violate the requirements of Section 3?**

(Check all that apply – provide documentation, if available)

**HUD Recipient Contractor and/or Subcontractor**

- Failed to notify Section 3 businesses about contracting opportunities
- Failed to incorporate the Section 3 Clause into covered Section 3 bid solicitations or contracts
- Failed to provide priority consideration to Section 3 businesses for covered contracting opportunities
- Failed to select Section 3 businesses in accordance with the order of priority consideration as set forth in 24 CFR 135.36
- Failed to award contracts to Section 3 businesses
- Failed to ensure that its contractors/subcontractors complied with Section 3 requirements
- Knowingly entered into contracts with contractors/subcontractors that failed to comply with Section 3 requirements
- Failed to notify Section 3 residents about training and/or employment opportunities
- Failed to provide priority consideration to Section 3 residents for employment or training opportunities
- Failed to select Section 3 residents for training or employment opportunities in accordance with the order of priority consideration set forth in 24 CFR 135.34
- Failed to hire Section 3 residents for new employment opportunities
- Retaliated against the complainant because complainant sought to enforce Section 3 requirements or participated in an investigation or proceeding regarding Section 3
- Other

- Failed to certify that all employment vacancies filled prior to contract execution were not filled to circumvent Section 3
- Failed to notify potential subcontractors about Section 3 requirements
- Failed to post notices at the work site regarding Section 3 requirements in accordance with the Section 3 Clause
- Failed to send to each labor organization or representative of workers a notice of Section 3 obligations in accordance with the Section 3 Clause
- Failed to ensure that its subcontractors complied with Section 3
- Failed to train and/or hire Section 3 residents for new employment opportunities
- Failed to provide priority consideration to Section 3 residents for employment or training opportunities in accordance with 24 CFR Part 135.34
- Failed to ensure that contracts awarded to subcontractors included the Section 3 Clause
- Failed to award subcontracts to Section 3 businesses
- Failed to award subcontracts to Section 3 businesses in accordance with the order of priority consideration set forth in 24 CFR 135.34
- Retaliated against the complainant because complainant sought to enforce Section 3 requirements or participated in an investigation or proceeding regarding Section 3
- Other

**7. When did the act(s) checked above occur?** (Include the most recent date if several dates are involved):

\_\_\_\_/\_\_\_\_/\_\_\_\_  
Month Day Year

\* The date of the last alleged violation or occurrence must be less than 180 days from the date of submission to HUD.

**8. Project name or location where alleged violation occurred?** (If applicable):

Project Name (if applicable): \_\_\_\_\_ Project Number: \_\_\_\_\_

Project Location: \_\_\_\_\_

Local Contracting Agency (LCA): \_\_\_\_\_

**9. Identify the type of HUD funding used by the HUD funding recipient, organization, or contractor that this complaint is filed against:** (Check all that apply)

- |   |  |   |   |
|---|--|---|---|
| PIH Operating Subsidy <input type="checkbox"/>                | Other PIH Assistance <input type="checkbox"/>                | Neighborhood <input type="checkbox"/>                                   | Section 811 Supportive <input type="checkbox"/>       |
|   |  | Stabilization Program (NSP) Assistance                                  | Housing for the Disabled                              |
| PIH Capital Fund Subsidy <input type="checkbox"/>             | Community <input type="checkbox"/>                           | Other Community <input type="checkbox"/>                                | Project Based Housing <input type="checkbox"/>        |
|   | Development Block Grants (CDBG)                              | Development Assistance  | Vouchers  |
| Choice Neighborhood Initiative Grant <input type="checkbox"/> | HOME Investment Partnership Funding <input type="checkbox"/> | Lead-Based Paint <input type="checkbox"/>                               | Other HUD Housing Assistance <input type="checkbox"/> |
| HOPE VI Grant <input type="checkbox"/>                        | McKinney Homeless Assistance <input type="checkbox"/>        | Section 202 Supportive Housing for the Elderly <input type="checkbox"/> | Other Covered HUD Funding <input type="checkbox"/>    |

**10. Description of act(s) or incident(s) involving alleged violation of Section 3:**

Summarize what happened? Attach additional information if necessary

**11. Declaration Statement**

**I declare under penalty of perjury that I have read this complaint (including any attachments) and that all information is accurate and correct.**

Signature

Date

## **Instructions for the Complaint Register**

### **Section 3 of the Housing and Urban Development Act of 1968**

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

The information is given voluntarily and provides the basis for HUD's investigation of the complaint to determine if the allegations of noncompliance are valid. The Department will use the information provided as the basis for its determination of jurisdiction over a complainant's allegations. All information collected complies with the Privacy Act of 1974 and OMB Circular A-108. The information is unique to the processing of complaints alleging noncompliance with the Section 3 statute or implementing regulations. The information collected on this form will only be used by HUD during the investigation and resolution of complaints and will not be shared with persons or parties that are not directly involved with the complaint.

#### **What is Section 3 of the Housing and Urban Development Act of 1968?**

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood economic improvement, and individual self-sufficiency. The Section 3 requirements ensure that **when** new jobs or contracts are created during the usage of certain HUD funds, priority consideration is given to low- and very low-income persons residing in the community in which the funds are spent (regardless of race or gender), and to the businesses that substantially employ these persons.

#### **Who are Section 3 residents and businesses?**

##### **Section 3 residents are:**

- Public housing residents; or
- Persons who live in the area where a HUD-assisted project is located and who have a household income that falls below HUD's income limits for low- and very low-income.

Please visit: <http://www.huduser.org/portal/datasets/il.html> to determine the income limits for residents of your community.

##### **Section 3 business is one that meets one of the following criteria:**

- Is 51 percent or more owned by Section 3 residents;
- Employs Section 3 residents for at least 30 percent of its full-time, permanent staff; or
- Provides evidence of a commitment to subcontract to Section 3 business concerns, 25 percent or more of the dollar amount of the awarded contract.

#### **What HUD funding does Section 3 cover?**

Section 3 applies to any of the following:

A. Public and Indian Housing programs that receive: (1) Annual contributions for low income housing projects provided pursuant to section 5 of the U.S. Housing Act of 1937, as amended by the Quality Housing and Work Responsibility Act of 1998 (QHWRA); (2) Capital Fund Project assistance provided pursuant to Section 9 of QHWRA; (3) Operating Subsidy assistance provided pursuant to Section 9 of QHWRA.

B. Housing and community development assistance extended for: (1) housing rehabilitation (including reduction and abatement of lead based paint hazards); (2) housing construction or (3) other public construction projects; and for which the contract and subcontract exceeds \$100,000; and

C. Certain competitive HUD grant funding, such as: HOPE VI, Choice Neighborhoods, etc.).

**What can you do about violations of the Law?**

Remember, Section 3 applies to the awarding of jobs, training programs, and contracts, generated from projects receiving HUD financial assistance. If you believe that, as a low-income person or a Section 3 business concern, the responsibilities to provide economic opportunities under Section 3 have been violated, you have a right to file a complaint within **180 days** of the last alleged occurrences of noncompliance.

Complaints alleging violations of the Section 3 regulatory requirements must be submitted to the appropriate HUD Regional Office of Fair Housing and Equal Opportunity listed below. Please be certain to sign and date this form, where indicated, to ensure prompt complaint processing. HUD will send the complaint to the appropriate HUD recipient for resolution. If resolution by the recipient fails, HUD will investigate. If HUD finds that the complaint has merit, it will try to end the violation by informal resolution. If conciliation fails, HUD may initiate other steps to enforce the law, including but not limited to suspension and debarment of the recipient or contractors as applicable. You can obtain assistance in learning about more Section 3 by visiting [www.hud.gov/section3](http://www.hud.gov/section3) or by contacting one of the HUD's Regional Offices of Fair Housing and Equal Opportunity.

**Authority:** Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1968, as amended by the Housing and Community Development Act of 1992, U.S.C. 1701u and implementing regulations at 24 CFR Part 135.

**Purpose:** The information requested on this form is to be used to investigate and process Section 3 complaints.

**Use:** The information requested will be used to process a complaint filed under Part 135. HUD may disclose certain information for Federal, State, and local agencies when relevant to civil, criminal, or regulatory investigations and prosecutions. It will not be otherwise disclosed or released outside of HUD, except as required and permitted by law.

**Penalty:** Failure to provide some or all of the requested information will result in delayed processing or rejection of this complaint for investigation.

**Privacy Act of 1974 (P.L.93-579)**

All information collected is provided voluntarily and complies with the Privacy Act of 1974 and OMB Circular A-108. The information is unique to the processing of complaints alleging noncompliance with the Section 3 statute or implementing regulations. The information collected on this form will only be used by HUD during the investigation and resolution of complaints and will not be shared with persons or parties that are not directly involved with the complaint.

## Instructions for completing the Section 3 Complaint Register

**Box 1:** Enter the requested information for the person that is filing the complaint (i.e., the complainant). This person must meet the definition of a Section 3 resident or business.

**Box 2:** Select the appropriate statement that describes your status as a Section 3 resident, businesses, or representative of either.

**Box 3:** Select the appropriate basis for the complaint which you are filing.

**Box 4:** Select the appropriate option that best describes the person or entity that you are filing this complaint against.

**Box 5:** Provide the name, address, and contact information for the person or entity that you are filing this complaint against.

**Box 6:** Select the statement(s) that best describe the alleged actions or omissions undertaken by the person or entity that you are filing this complaint against that are in violation of the requirements of Section 3. If you select "other", please briefly describe the alleged violation on the appropriate line.

**Box 7:** Provide the date that the alleged violation or action occurred. If the alleged act or violation is continuing in nature, please provide the date of the most recent occurrence.

**Box 8:** If this complaint is based upon acts or omissions that occurred at a specific job site, project, or location, please provide information that will allow HUD to identify the specific project that is the subject of the complaint that you are filing.

**Box 9:** Select the appropriate type of covered HUD funding that the recipient, organization, contractor/subcontractor received or administered.

**NOTE:** In order for the complaint to be jurisdictional, covered HUD funding must be administered by the recipient, organization, contractor/subcontractor.

**Box 10:** Provide a detailed description of the acts or omissions undertaken by the person or entity that you filing this complaint against. Provide enough specific information to enable HUD to clearly understand the alleged violation and whether it demonstrates noncompliance with the requirements of Section 3.

**Box 11:** Please sign the complaint and enter the current date.

**NOTE:** By signing and dating this complaint you are affirming that your statements and allegations are true and accurate by penalty of perjury. Complaints **must** be signed and dated prior to acceptance by HUD for investigation.

**Where to file your complaint:**

Please fax or mail your complaint to the appropriate HUD Regional Office of Fair Housing and Equal Opportunity that has jurisdiction over the state for which you are located or where the alleged violation occurred. Inquiries regarding the status of your complaint should be directed to the appropriate Regional office of FHEO by telephone or email.

**ATLANTA REGIONAL OFFICE**

U.S. Department of Housing and Urban Development  
Southeast Office  
40 Marietta Street  
Atlanta, GA 30303  
(404) 331-5140  
(800) 440-8091  
Fax: (404) 331-1021  
Email: [complaints\\_office\\_04@hud.gov](mailto:complaints_office_04@hud.gov)



## APPENDIX ONE – SECTION 3 CLAUSE

All Section 3 covered contracts shall include the following clause 24 CFR Part 135

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 or 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 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

## APPENDIX TWO: SECTION 3 DEFINITIONS

**Business Concern:** 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.

**Contractor:** 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:** employment opportunities generated by the expenditure of Section 3 covered assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in Section 135.3 (a) (1)). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3(a)(2)), including management and administrative jobs. 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.

**Low- or very low-income person:** a member of a household whose total annual income does not exceed 80% of the median income for the area. Single persons are considered a household of one.

**New Hires:** full-time employees for permanent, temporary or seasonal employment opportunities.

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

**Section 3 Business Concern:** a business concern

- 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 subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraphs 1 or 2 above.

**Section 3 Clause:** The agreement or contract with HPD (which contains pertinent federal requirements and must be attached to all HUD-funded contracts) includes the following clause (referred to as the Section 3 Clause). Please note that, by signing a HUD-funded contract with the agency, you are agreeing to comply with the Section 3 requirements contained therein.

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 or 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.

**Section 3 Covered Assistance:** the use of \$200,000 or more of federal funds for construction, public works, and job training (related to construction and/or public works).

**Section 3 Covered Contracts:** a contract or subcontract in excess of \$100,000 (including a professional consulting 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 Projects:** a project that is receiving federal funds in excess of \$200,000.

**Section 3 Employee:** A Section 3 employee is either:

- An employee who is currently a Section 3 resident; or
- An employee who was hired within the past three years, was a Section 3 resident upon hire, but whose household income/housing status no longer qualifies him/her as a Section 3 resident. Employers may claim credit for these positions for three years after this individual's date of hire.

**Section 3 Resident:** a public housing resident or an individual who resides in the Fayette County and who is considered to be a low- or very low-income person.

**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 covered assistance, or arising in connection with a Section 3 covered project.