



ILLINOIS HOUSING DEVELOPMENT AUTHORITY

ARCHITECTURE AND CONSTRUCTION SERVICES DIVISION

SECTION 3 PLAN and COMPLIANCE GUIDE

November 2019

INTRODUCTION

The Illinois Housing Development Authority (the Authority) administers funds from federal sources for housing development activities. The Authority and the recipients of these funds must ensure that all applicable requirements are followed. This manual is provided as a user's guide and plan for the "Section 3" requirements and includes the various forms that must be submitted for compliance.

Section 3 of the Housing and Urban Development Act of 1968 recognizes that employment, job training and contract opportunities are generated by U.S. Department of Housing and Urban Development (HUD) programs designed to aid housing, urban planning and community development. Section 3 is a mandate to target these economic opportunities flowing from the HUD assisted projects to lower income residents and businesses in those jurisdictions and areas where HUD is investing public resources. Through HUD regulations, participants in HUD's assistance programs (recipients, contractors and subcontractors) must demonstrate good faith efforts to meet regulatory requirements and to provide "to the greatest extent feasible" opportunities to Section 3 area residents and Section 3 business concerns. The recipient can utilize this document as their Section 3 Plan pending compliance with all the required Section 3 provisions and conditions or incorporate this document into their plan accordingly.

Essentially Section 3 is intended to ensure that when employment or contracting opportunities are generated in a covered activity which requires the employment of additional persons or the awarding of contract for work, preference must be given to low and very-low-income persons or business concerns residing in the community where the Section 3 project is located.

These guidelines are subject to change and modification, this version supersedes and replaces any prior versions. Any questions, please contact IHDA at 312-836-5200 ask to speak to Construction Services Department.

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I. Definitions

Applicant means any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency, Indian housing authority, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization (CHDO), resident management corporation, resident council, or cooperative association

Business concern means 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 means 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 means all employment opportunities generated by the expenditure of Section 3 covered public and Indian housing assistance (i.e., operating assistance, development assistance and modernization assistance, as described in §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 §135.3(a)(2)), including management and administrative jobs connected with the Section 3 covered project. 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.

Housing and community development assistance means any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of community development block grants, and loans guaranteed under section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

Housing development means low-income housing owned, developed, or operated by public housing agencies or Indian housing authorities in accordance with HUD's public and Indian housing program regulations codified in 24 CFR Chapter IX.

HUD Youthbuild programs mean programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

JTPA means the Job Training Partnership Act (29 U.S.C. 1579(a)).

Low-income person. See the definition of "Section 3 resident" in this section.

Metropolitan area means a metropolitan statistical area (MSA), as established by the Office of Management and Budget.

Neighborhood area means:

(1) For HUD housing programs, a geographical location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in ordinances, or other local documents as a neighborhood, village, or similar geographical designation.

(2) For HUD community development programs, see the definition, if provided, in the regulations for the applicable community development program, or the definition for this term in 24 CFR 570.204(c)(1).

New hires mean full-time employees for permanent, temporary or seasonal employment opportunities.

Nonmetropolitan county means any county outside of a metropolitan area.

Other HUD programs means HUD programs, other than HUD public and Indian housing programs, that provide housing and community development assistance for “Section 3 covered projects,” as defined in this section.

Recipient means any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian tribe, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

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

Section 3 business concern means a business concern, as defined in this section—

(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 subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) or (2) in this definition of “Section 3 business concern.”

Section 3 clause means the contract provisions set forth in §135.38.

Section 3 covered activity means any activity which is funded by section 3 covered assistance public and Indian housing assistance.

Section 3 covered assistance means: (1) Public and Indian housing development assistance provided pursuant to section 5 of the 1937 Act;

(2) Public and Indian housing operating assistance provided pursuant to section 9 of the 1937 Act;

(3) Public and Indian housing modernization assistance provided pursuant to section 14 of the 1937 Act;

(4) Assistance provided under any HUD housing or community development program that is expended for work arising in connection with:

(i) Housing rehabilitation (including reduction and abatement of lead-based paint hazards, but excluding routine maintenance, repair and replacement);

(ii) Housing construction; or

(iii) Other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 covered contract means a contract or subcontract (including a professional service 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 contracts" do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation System (see 48 CFR, Chapter 1). "Section 3 covered contracts" also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract. For example, a contract for the purchase and installation of a furnace would be a Section 3 covered contract because the contract is for work (i.e., the installation of the furnace) and thus is covered by Section 3.

Section 3 covered project means the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 joint venture. See §135.40.

Section 3 resident means:

(1) A public housing resident; or

(2) An individual who resides in the metropolitan area or Nonmetropolitan County in which the Section 3 covered assistance is expended, and who is:

(i) *A low-income person*, as this term is defined in Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families; or

(ii) *A very low-income person*, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)) defines this term to mean families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

(3) A person seeking the training and employment preference provided by Section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

Section 8 assistance means assistance provided under section 8 of the 1937 Act (42 U.S.C. 1437f) pursuant to 24 CFR part 882, subpart G.

Service area means the geographical area in which the persons benefitting from the Section 3 covered project reside. The service area shall not extend beyond the unit of general local government in which the Section 3 covered assistance is expended. In HUD's Indian housing programs, the service area, for IHAs established by an Indian tribe as a result of the exercise of the tribe's sovereign power, is limited to the area of tribal jurisdiction.

Subcontractor means 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 assistance or arising in connection with a Section 3 covered project.

[59 FR 33880, June 30, 1994, as amended at 61 FR 5206, Feb. 9, 1996]

II. Purpose:

(a) *Section 3*. The purpose of the Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (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. Those responsible for the compliance of this provision can access it at [Section 3 Regulation](#).

(b) *Part 135*. The purpose of this part is to establish the standards and procedures to be followed to ensure that the objectives of Section 3 are met. Additional program information can be found at the HUD's website for [Section 3](#).

III. Applicability:

Federal funds administered through the Authority include: HOME Investment Partnership (HOME), Risk Share (HUD insured), National Housing Trust Fund and the Neighborhood Stabilization Program ([NSP](#)), which is funded through the Community Development Block Grant (CDBG) and included in the Housing and Community Development Act of 1974, as amended (HCDA).

- Section 3 covered projects are those that involve construction, rehabilitation, or conversion (adaptive reuse) of housing. Also included under housing rehabilitation is the reduction and abatement of lead-based paint hazards. Section 3 assistance is not required for acquisition only or for routine maintenance repair and replacement activities.

IV. Thresholds:

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

A. Recipient threshold:

A recipient that receives community development or housing assistance covered by Section 3 for which the amount of assistance exceeds \$200,000.

B. Contractor and subcontractor thresholds:

Section 3 requirements apply to 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 contract or subcontract exceeds \$100,000.

Professional service contracts (for instance, architectural, engineering, etc.) are covered under Section 3 provided that the work to be performed by the professional is for work generated by the expenditure of Section 3 covered assistance or for work arising in connection with a Section 3 project (e.g. housing rehabilitation, housing construction, or other public construction project).

C. Clarifications:

- Section 3 covered contracts do not include contracts issued for the purchase of materials, supplies, or equipment, unless the installation of work is involved.
- If the dollar thresholds for assistance is met for the Recipient, Section 3 requirements apply to the entire project, regardless of whether the project is fully or partially funded with HUD assistance.
- If the dollar threshold for assistance is met for the Recipient, but there are no contracts exceeding \$100,000 the Recipient will still need to provide all the Section 3 documentation.
- Section 3 Residents and Business Concerns are not guaranteed employment or contracting. Section 3 residents must demonstrate they can meet the qualifications for new employment opportunities. Section 3 Business concerns must submit evidence to the satisfaction of the Recipient that they are responsible firms and have the ability to perform successfully under the terms and conditions of the proposed contract.

V. Numerical Goals:

Federal regulations set numerical goals for the hiring/training of Section 3 residents and contracting with Section 3 business concerns on HUD-assisted projects. Recipients of the assistance have the responsibility of ensuring compliance over the contractors and subcontractor. Good faith efforts by contractors and sub-contractors will help meet the following goals:

A. Employment and Training:

Goals are based on the percentage of new-hires. A new-hire means a full-time employee for permanent, temporary or seasonal employment opportunities. A rehire can be considered a new hire if the employee was not on the payroll on the day when Section 3 assistance was provided.

- Employ **Section 3 residents** as 30 percent of the aggregate number of new hires for each year over the duration of the Section 3 project.

Section 3 residents are either (a) a public housing resident or (b) a low/very-low-income person residing in the community in which the Section 3 assistance is covered.

Section 3 does not require Recipients or Contractors to create training programs for low-and very low-income persons solely to comply with the regulations. However, where training opportunities exist in connection with Section 3 covered projects, they must, in part, be directed to Section 3 residents.

B. Contracts:

Each contractor and subcontractor that meets the threshold requirement may demonstrate compliance with the requirements of Section 3 by committing to award **Section 3 Businesses**:

- At least 10 percent of the total dollar amount of all Section 3 covered contracts for building trades work for maintenance, repair, modernization or development of public housing or building trades work arising in connection with housing rehabilitation, housing construction and other public construction.
- At least 3 percent of the total dollar amount of all other Section 3 covered contracts (non-building trade activities such as architecture and engineering).

Section 3 Businesses are either (a) 51% or more owned by Section 3 Residents or (b) at least 30% of its full time employees include persons that are currently Section 3 Residents, or within three years of the date of first employment with the business were Section 3 Residents or (c) provides evidence of a commitment to subcontract excess of 25% of the dollar award of all subcontracts awarded to business concerns that meet the qualifications of (a) or (b) above.

C. Justification:

A Recipients that have not met the numerical goals set forth above have the burden of demonstrating why it was not feasible. Such justification may include impediments encountered despite actions taken.

VI. Preferences:

A. Hiring/Training

In housing and community development activities, priority consideration must be given where feasible to:

- Section 3 residents residing in the service area in which the project is located;
- Participants in HUD Youthbuild programs;
- Homeless persons residing in the service area in which the project is located must receive the highest priority when the funding source is covered by the Stewart B. McKinney Homeless Assistance Act; and
- All other Section 3 residents regardless of residence location

B. Contracting

In housing and community development activities, priority consideration must be given where feasible to:

- Section 3 business concerns that provide economic opportunities for Section 3 residents within the service area in which the project is located;
- Applicants selected to carry out HUD Youthbuild programs; and
- Other Section 3 business concerns

VII. Responsibilities:

A. Recipient

A recipient that receives Authority housing assistance covered by Section 3 has the responsibility to comply with Section 3 in its **own** operations. This responsibility includes:

- Notifying Section 3 residents and businesses about jobs and contracts generated by Section 3 covered assistance so that residents may seek jobs and businesses may submit bids/proposals for available contracts;
- Notifying potential contractors of the objectives of Section 3 and ways in which each contractor can assist the recipient to meet its goal;
- Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns; and
- Documenting the action that the Recipient takes to comply with the Section 3 requirements, the results of the actions, and impediments, if any.

Recipients have a responsibility to "ensure compliance" of **their contractors and subcontractors**. This means that a Recipient must:

- Notify contractors of their responsibilities under Section 3 including, but not limited to, incorporating the Section 3 Clause in contract documents.
- Refrain from contracting with contractors as to whom they have received notice or have knowledge that the contractors have been found in violation of the regulations in 24 CFR Part 135.
- Respond to complaints made to the Recipient by Section 3 residents or business concerns that a contractor or subcontractor, is not in compliance with 24 CFR Part 135.
- Cooperate with HUD in obtaining the compliance of contractors and subcontractors when allegations are made that the Recipient's contractors and subcontractors are not in compliance with the regulation of 24 CFR Part 135.

B. Contractor

- Notify sub-contractors of their responsibilities under Section 3 including, but not limited to, incorporating the Section 3 Clause in sub-contract documents.
- Refrain from contracting with sub-contractors as to whom they have received notice or have knowledge that the sub-contractors have been found in violation of the regulations in 24 CFR Part 135.
- Maintain records that document a good faith effort to utilize Section 3 area residents as trainees and employees. (Required of both contractor and sub-contractor.)

VIII. Examples of Efforts made to direct employment and other economic opportunities

1. Targeted recruitment of Section 3 area residents for training and employment positions by taking such steps as:

- Advertising in local media,

- Prominently placing a notice of commitments under Section 3 at the project site or other places where applications for training and employment are taken,
- Contacting local job training centers, employment service agencies and community organizations,
- Developing on-the-job training opportunities or participating in job training programs,
- Contacting assisted housing resident councils and resident management corporations;

2. Keeping a list of Section 3 area residents who apply on their own or by referral for available positions;

3. Sending to labor organizations or representatives of workers with whom the Recipient, contractor or subcontractor has a collective bargaining agreement or understanding, a notice about contractual commitments under Section 3; and

4. Selection of Section 3 area residents for training and employment positions.

5. Absent evidence to the contrary, the Department considers recipients of covered funding to be in compliance with Section 3 if they meet the minimum Numerical Goals set forth above in section "V" above.

****Recipients that fail to meet the minimum numerical goals above bear the burden of demonstrating why it was not possible to do so. Such justifications should describe the efforts that were taken, barriers encountered, and other relevant information that will enable the Department to make a compliance determination. Recipients that submit Section 3 reports containing all zeros, without a sufficient explanation to justify their submission, are in noncompliance with the requirements of Section 3. Failure to comply with the requirements of Section 3 may result in sanctions, including: debarment, suspension, or limited denial of participation in HUD programs pursuant to 24 CFR Part 24.***

IX. Recipient Records and Reports:

Examples of records to be maintained are:

- Copies of advertisements for training and employment;
- Lists of Section 3 residents who applied or otherwise expressed an interest in training positions or employment;
- Copies of solicitations or requests for proposals;
- Documentation of pre-construction conferences;
- Records of bid evaluations and selections
- Correspondence or other documentation related to Section 3 grievances;
- Photographic evidence of displayed signs;
- Copies of letters to community organizations;
- Copies of notifications of awards to grantees and contractors;
- Copies of business affirmative action plans including records of solicitation mailing lists, direct solicitation of bids or proposals; and
- Evidence of affirmative steps to include Section 3 business concerns; such as, joint ventures between a large business and a Section 3 business concern, and limiting competition to Section 3 business concerns pursuant to HUD regulations at 24 CFR Part 963;
- Other examples as indicated by the Section 3 Regulation

X. Forms:

Work Force Breakdown- **(EXHIBIT A)** this form is completed at the beginning of the project.

Certification of Section 3 Business Concern - **(EXHIBIT B)** Complete if a contractor is a Section 3 Business.

Income Certification for Section 3 Resident - **(EXHIBIT C)** Completed by Section 3 employees.

Contractor Summary Report - **(EXHIBIT D)** is a summary of all contracts issued for the project whether or not the individual contract exceeds \$100,000.

Project Summary Report - **(EXHIBIT E)** is completed using information from the Contractor's completed forms when the project award exceeds \$100,000...

Section 3 Clause - **(EXHIBIT F)** Inserted into all Section 3 covered contracts and Acknowledged by the Recipient and Contractor.

Program Income Limits - **(EXHIBIT G)** The area specific income limits shall be utilized in determining the low-income eligibility for employment, training and contracting activities.

XI. Reference Websites:

HUD FAQ's - <https://portal.hud.gov/hudportal/documents/huddoc?id=sec3bizfaq.pdf>

HUD Program Income Limits - <http://www.huduser.org/DATASETS/il.html>

HUD Section 3 - <http://www.hud.gov/Section3>

WORK FORCE BREAKDOWN

To be completed at beginning of Project or Trade

1. Name and Address: Beall's Do-It-All Services 401 North Michigan Avenue, Suite 700 Chicago, IL 60660	2. IHDA Project No.: 52860	3. Dollar Amount of Contract: \$101,000
	4. Contact Person: Bret S. Beall	5. Phone: (include area code): 312.836.5303
	6. Reporting Period: Initial	7. Date Report Submitted: April 1, 2012
9. Project Name: Best-Ever Apartments		
11. Person Completing Form: (if different from 4 above)		12. Phone: (if different from 5 above)

Employment and Training					
Job Category	Total Estimated Positions Needed for Project	Number of Positions Occupied by:		Number of Positions not Occupied	Number of Positions to be filled with new Section 3 Residents*
		Permanent Employee	Section 3 Residents		
Professionals	3	3	0	0	0
Technicians	2	1	1	0	1
Office/Clerical	2	0	2	0	2
Construction by Trade (List).					
Trade <i>Electrician</i>	1	1	0	0	0
Trade <i>Plumber</i>	1	1	0	0	0
Trade <i>Carpenter</i>	1	0	1	0	1
Trade					
Trade					
Other (List)					
TOTAL:	10	6	4	0	4

***Section 3 Resident:** Public housing resident or resident (preferably, but not necessarily, of the immediate or extended area served by the HUD funded project) who qualifies as a low-income person. HUD defines a low-income person as one whose household income does not exceed 80% of the median income for the region, with adjustments for family size.

CERTIFICATION OF SECTION 3 BUSINESS CONCERN

To be completed **if claiming to be a Section 3 Business**

1. Contractor Name and Address: We-Try-Harder Carpenters 401 North Michigan Avenue Suite 700 Chicago, IL 60660	1. IHDA Project Number 52860	3. Dollar Amount of Contract \$11,000
	1. Contact Person: Bret Beall	2. Phone: (include area code) 312.836.5200
	3. Reporting Period: Initial	4. Date Report Submitted: 4-1-12
5. Project Name: Best-Ever Apartments		
Person Completing Form: Bart Beall		

Type of Business _____ Corporation _____ Partnership
 _____ X _____ Sole Proprietorship _____ Joint Venture

A Section 3 Business Concern is defined as one or more of the following; **please check appropriate item(s):**

_____ Is at least 51% owned by Section 3 low-income residents, or

X _____ Has full-time, permanent employees, at least 30 % of whom are either (i) Section 3 residents, or (ii) have been employed by the business for three years or less and were Section 3 residents at the time when they were hired, or

_____ Has committed to subcontract more than 25 % of dollar award of all subcontracts to be let in connection with the project to businesses that qualify under (1) and (2) above.

Please check the following if they are relevant to you:

_____ Is your company woman owned?

X _____ Is your company minority owned?

If yes please indicate the minority group: _____ Native American _____

I certify that the above named Business is a Section 3 Business and meets the requirements specified in Section 3 regulations of the Housing and Urban Development Act of 1968.



Signature

 President/CEO
Title

SAMPLE: EXHIBIT C

INCOME CERTIFICATION FOR SECTION 3 RESIDENTS
To be completed by Section 3 employees

1. Contractor Name and Address: We-Try-Harder Carpenters 401 North Michigan Avenue, Suite 700 Chicago, IL 60660	2. IHDA Project Number 52860	3. Dollar Amount of Contract \$11,000
	4. Contact Person: Bret S. Beall	5. Phone: (include area code) 312.836.5303
	6. Reporting Period: Initial	7. Date Report Submitted: 4/1/17
6. Project Name: Best-Ever Apartments		
Person Completing Form:		

Your cooperation in filling out this form is requested in order to determine whether you qualify as a Section 3 employee or owner of a Section 3-business concern. The purpose of Section 3 of the Housing and Urban Development Act of 1968 is to ensure that employment and economic opportunities generated by HUD financial assistance is directed, wherever feasible, to lower income persons. Before completing please insure income is below the 80% Median Area Income as indicated below or at the IHDA website link at [IHDA Income](http://www.huduser.org/DATASETS/il.html). HUD Program Income Limits - <http://www.huduser.org/DATASETS/il.html>

2017
Cook, DuPage, Lake, McHenry, & Will

Family Size	1	2	3	4	5	6	7	8
Income Limit	\$44,250	\$50,600	\$56,900	\$63,200	\$68,300	\$73,350	\$78,400	\$83,450

1. What is the **total number of persons** in your household? 1

2. What is the total **combined annual income** of all members of your household? \$30,000.00

3. Please **circle** the appropriate job category

Job Category

1 = Business Owner/Professional, 2 = Technicians, **3 = Office/Clerical**, 4 = Construction

 (If construction, specify trade)

Name: Bret S. Beall
 (Print)

Address of Household: 401 North Michigan Avenue, Suite 700
 Chicago, IL 60611

Telephone Number: 312.836.5303


Signature: _____

The information provided on this form may be subjected to verification by responsible local and federal agencies. Please

be aware that there is a penalty for falsifying information.

SAMPLE: EXHIBIT D

CONTRACT SUMMARY REPORT

Subcontractor: to be submitted when the TRADE is 100% complete.

Recipient/General Contractor: to be submitted when the PROJECT is 100% complete.

Project Name Best-Ever Apartments **IHDA Project Number:** 52860

1. List each contractor/subcontractor, their address and ID number (FEIN if available)
2. Indicate the approximate dollar value of each contract/subcontract.
3. List the type of trade (i.e. plumber, architect, etc.) and if it's construction or non-construction related.
4. Indicate if it is a Section 3 business concern.
5. Provide ethnic code for the contractor/subcontractor.
6. Indicate if the business is owned by a disabled person and if female owned.

Contractor / Subcontractor Name, Address and ID number	Contract Dollar Amount	Type of Trade and if Construction (C) or Non-Construction (NC)	Section 3 Business (yes/no)	Ethnic Code	Disabled Owned (yes/no)	Female Owned (yes/no)
Beall's Do-It-All Services 401 North Michigan Avenue, Suite 700 Chicago, IL 60660	\$61,000	Professionals (C)	No	3	Yes	No
Beall's Do-It-All Services 401 North Michigan Avenue, Suite 700 Chicago, IL 60660	\$11,000	Clerical (C)	No	3	Yes	No
Beall's Do-It-All Services 401 North Michigan Avenue, Suite 700 Chicago, IL 60660	\$12,000	Electrician (C)	No	3	Yes	No
Beall's Do-It-All Services 401 North Michigan Avenue, Suite 700 Chicago, IL 60660	\$6,000	Plumber (C)	No	3	Yes	No
We-Try-Harder Carpenters 401 North Michigan Avenue, Suite 700 Chicago, IL 60660	\$11,000	Carpenter (C)	Yes	3	Yes	No
TOTAL:	\$101,000	N/A		N/A		

Ethnic Codes:

1. Caucasian
2. African-American
3. Native American
4. Hispanic American
5. Asian-Pacific American
6. Hasidic Jew



Recipient/Contractor
 Bret S. Beall, Owner
Name and Title April 1, 2012
Date

SAMPLE: EXHIBIT E

PROJECT SUMMARY REPORT

Subcontractor: to be submitted when the TRADE is 100% complete.

Recipient/General Contractor: to be submitted when the PROJECT is 100% complete.

1. Recipient Name and Address: Beall's Do-It-All Services 401 North Michigan Avenue, Suite 700 Chicago, IL 60660		1. IHDA Project Number 52860	2. Dollar Amount of Contract \$101,000
		3. Contact Person: Bret S. Beall	4. Phone: (include area code) 312.836.5303
		5. Reporting Period: Final	6. Date Report Submitted: 1 May 2012
8. Program Code*	9. Project Name: Best-Ever Apartments		
11. Person Completing Form: (if different from 4 above)			12. Phone: (if different from 5. above)

Part I: Employment and Training (Columns B, C and F are mandatory fields. Include New Hires in E & F)**

A Job Category	B Number of New Hires	C Number of New Hires that are Sec. 3 Residents	D % of Aggregate Number of Staff Hours of new Hires that are Sec. 3 Residents	E % of Total Staff Hours for Section 3 Employees and Trainees	F Number of Section 3 Trainees
Professionals	0	0	0	0	0
Technicians					
Office/Clerical	0	0	0	0	0
Construction by Trade (List)					
Trade: Electrician	0	0	0	0	0
Trade: Plumber	0	0	0	0	0
Trade: Carpenter	0	1	100	100	1
Trade:					
Trade:					
Trade:					
Other (List)					
Total:	0	1	100%	100%	1

***Program Codes**

1= Flexible Subsidy
2 = Section 202/811

3 = Public/ Indian Housing
A = Development
B = Operation
C = Modernization

4 = Homeless Assistance
5 = HOME
6 = HOME- State Administered
7 = CDBG- Entitlement

8 = CDBG- State Administered
9 = Other CD Programs
10 = Other Housing Programs

Part II: Contracts Awarded (Project Name): Beall's Do It All Services

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$101,000
B. Total dollar amount of contracts awarded to Section 3 businesses	\$ 11,000
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	10.9 %
D. Total number of Section 3 businesses receiving contracts	1

2. Non-Construction Contracts:

A. Total dollar amount of all non-construction contracts awarded on the project	\$ 0
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$ 0
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	0 %
D. Total number of Section 3 businesses non-construction receiving contracts	0

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.)

Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contacts 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.

Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.

Participated in a HUD program or other program which promotes the award or contracts to business concerns which meet the definition of Section 3 business concerns.

Coordinated with Youth Build Programs administered in the metropolitan area in which the Section 3 covered project is located.

Other Efforts; describe here: (Example: No New Hires, Union Hires, etc.)

Efforts: Only one new hire

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u., mandates that the Department ensure that employment and other economic opportunities generated by its housing and community development assistance program are directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. The regulations are found in 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as a self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

Instructions: This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any **public and Indian Housing programs** that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to **recipients of housing and community development assistance in excess of \$100,000** expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to **contracts and subcontracts in excess of \$100,000** awarded in connection with the Section-3-covered activity.

The form has three parts which are to be completed for all programs covered by Section 3. Part I relates to **employment and training**. The contractor/recipient has the option to determine numerical employment/training goals either based on the number of hours worked by new hires (columns B, D, E and F) or the number of new hires utilized on the Section 3 covered project (columns B, C and F). Part II of the form relates to **contracting**, and Part III summarizes recipients' efforts to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons. * **The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.**

7. Project: Enter the name and address of the project entity submitting this report.
8. IHDA Project Number: Enter the number that appears on the award.
9. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the entity filling out this report.
- 4 & 5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the implementation of Section 3.
6. Reporting Period: Indicate the time period (months and year) this report covers.
7. Date Report Submitted: Enter the appropriate date.
8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Project Name: Enter the name of IHDA Project.
10. N/A.
11. & 12. Person Completing Form: Enter the name and telephone number of the person completing the form if different from 4. & 5 above.

The terms "low-income persons" and "very low-income persons" have the same meanings given the terms in Section 3(b)(2) of the United States Housing Act of 1937. **Low-income persons** mean families (including single persons) whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings such that variations are necessary because of prevailing levels of construction costs or unusually high-or-low income

Part I: Employment and Training Opportunities

Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e., supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

Column B: Enter the number of new hires for each category of workers identified in **Column A** in connection with this award. New Hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3-covered award or at the time of receipt of Section 3 covered assistance.

Column C: Enter the number of Section 3 new hires for each category of workers identified in **Column A** in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3-covered award or at the time of receipt of Section 3 covered assistance.

Column D: Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.

Column E: Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

Column F: Enter the number of Section 3 residents that were employed and trained in connection with this award.

Part II: Contract Opportunities

Block 1: Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Part III: Summary of Efforts - Self-explanatory

families. **Very low-income persons** mean low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low incomes.

SAMPLE: EXHIBIT F

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 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 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 as referenced by HUD regulations in 24 CFR part 135 as amended.



April 1, 2012



April 1, 2012

Recipient	Date	Contractor	Date
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SAMPLE: EXHIBIT G

PROGRAM INCOME LIMITS

The program Income Limits for this project are listed below and shall be utilized in determining the low-income eligibility for employment, training and contracting activities. The limits shall be provided to all Section 3 eligible parties (Recipient, Contractor, subcontractor and business concerns).

If the income limits are not for the appropriate area as determined by the projects' location or needs to be updated, please use this link IHDA Income to determine the income limits for eligible low-income individuals/families ($\leq 80\%$ of Area Median Income AMI). Select link to identify current income limits.

HUD Program Income Limits - <http://www.huduser.org/DATASETS/il.html>