



Pasco County will monitor Subrecipients and contractors based on these requirements.

Applies to: HUD-funded project (\$200,000 or more) with construction, reconstruction, rehab, or demolition. Service area: geographic area defined on a project by project basis.

For the sake of clarity, "Subrecipient" means any entity that receives HUD funds under contract from Pasco County.

Basis for Section 3 Requirements (24 CFR 75):

Housing & Urban Development Act of 1968 (12 U.S.C. 1701u) (section 3)

Section 3 Clause recommended in all Section 3-covered HUD contracts [24 CFR §75.27 Contract provisions]. Although HUD no longer dictates specific text, Pasco County uses the Section 3 Clause document attached.

Responsibilities of Subrecipient to Pasco County:

To the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations: Adhere to the Pasco County Section 3 Policy (Plan) resourcing utilization and outreach to notify Section 3 Workers and business concerns of training, employment, and contracting opportunities. Document qualitative efforts taken to comply with Section 3. Documentation of your actions must be available upon request.

Responsibilities for contractors, for covered projects:

1. "To the greatest extent feasible," recruit, train, and employ Section 3 workers and award contracts to Section 3 businesses, including recruiting Section 3 residents through local advertising, project site signage, liaisons with local Public Housing Authorities, community organizations, public or private institutions, or Local Workforce Development Boards.
2. Notify potential contractors of their Section 3 responsibilities [24 CFR §75.27].
3. Maintain data for Summary Report, including employment, labor hours (Section 3 compared to total), and training records.
4. Avoid entering into contracts with entities reportedly in violation of Section 3 regulations.



Benchmarks for Section 3 Workers

25% of total labor hours for the project worked by:

- Employee of a Section 3 Business
- YouthBuild Participant or
- Below 80% AMI (area median individual income)

Benchmarks for Targeted Section 3 Workers

5% of total labor hours for the project worked by:

- Employee of a Section 3 Business
- YouthBuild Participant or
- Service Area Resident (§75.5)

Report Submission

The Contractor's Final Section 3 report precedes final disbursement from Pasco County.

Business Name:		Business Principal/Owner Name:	
Address:	City:	Zip Code:	
Email:	Phone #:		

These obligations and requirements substantively reflect 24 CFR 75, guidance from US Department of Housing and Urban Development (HUD).

**Section 3 Clause effective July 1, 2021**

- 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 USC §1701u) ("Section 3"). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted developments covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, including persons who are recipients of HUD assistance for housing, with a preference for both targeted workers living in the service area or neighborhood of the Development and YouthBuild participants, as defined at 24 CFR Part 75 ("Section 3 Regulations").
- B. The Parties agree to comply with HUD's regulations in Section 3 Regulations, which implement Section 3. As evidenced by their execution of this Contract, the Parties certify that they are under no contractual or other impediments that would prevent them from complying with the Section 3 Regulations.
- C. The Award Recipient, Contractor, or Development Owner agrees to send to each labor organization or representative of workers with which the Award Recipient, Contractor, or Development Owner has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Award Recipient, Contractor, or Development Owner's commitments under this section of the Contract and will post copies of the notice in conspicuous places at the worksite where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference and shall set forth the following: (i) minimum number and job titles subject to hire, (ii) availability of apprenticeship and training positions, (iii) qualifications for each, (iv) name and location of the person(s) taking applications for each of the positions, and (v) the anticipated date the work shall begin.
- D. The Award Recipient, Contractor, or Development Owner agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in Section 3 Regulations and agrees to take appropriate action, as provided in an applicable provision of the subcontract in this Section 3 clause, upon a finding that the subcontractor violates the regulations in Section 3 Regulations. The Award Recipient, Contractor, or Development Owner will not subcontract with any subcontractor where the Award Recipient, Contractor, or Development Owner has notice or knowledge that the subcontractor has been found in violation of the regulations in Section 3 Regulations.



- E. The Award Recipient, Contractor, or Development Owner will certify that any vacant employment positions, including training positions, that are filled (i) after a contractor is selected but before the Contract is executed, and (ii) with persons other than those to whom the regulations of Section 3 Regulations require employment opportunities to be directed, were not filled to circumvent the Award Recipient, Contractor, or Development Owner's obligations under Section 3 Regulations.
- F. Noncompliance with HUD's regulations in Section 3 Regulations may result in sanctions, termination of this Contract for default, and debarment or suspension from future HUD-assisted contracts.



Pasco County Section 3 Business Concern Self-Certification Form

Business Name:	Business Principal/Owner Name:	
Address:	City:	Zip Code:
Email:	Phone #:	

Section 3 Business Concern Criteria: A business is eligible for Section 3 Business Concern status if it meets any following criteria. All contractors must evaluate if they meet the Section 3 Business criteria and submit the required supporting document. Please use the Business Concern Supporting Document to determine eligibility under the second criteria. **Check** all that apply:

- ☐ My business is 51 percent or more owned by a Section 3 worker or workers

Section 3 Business Concerns claiming status as a Section 3 Worker-owned enterprise

- ☐ Section 3 Worker Self-Certification Form verifying Section 3 Worker status of owner(s) and
- ☐ Provide last year's Federal Tax Return as evidence that income is below the eligibility guideline for the previous year.

- ☐ Over 75 percent of the labor hours performed for the business referenced above over the prior three-month period are performed by Section 3 Workers

Section 3 Business Concerns claiming Section 3 status by claiming at least 75 percent of labor hours performed for the business over the prior three-month period are worked by Section 3 Workers

- ☐ Provide the Section 3 Business Concern Supporting Document. Identify the Section 3 Workers and Targeted Workers and their labor hours performed for the business over the prior three-month period.

- ☐ My business is at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing

Section 3 Business Concerns claiming Section 3 status as a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing

- ☐ List of all owners, noting 51 percent of the ownership qualifies as public housing or Section 8-assisted housing and
- ☐ Evidence of current public housing lease (HAP) or Section 8 assisted housing award letter and or lease per owner noted as qualified.

- ☐ Not a Section 3 Business Concern.





I understand that the information above may require verification, and I agree to provide additional documents verifying this information if requested. Per HUD record-keeping requirements, the contractors must retain evidence of documentation and calculations according to 24 CFR 75.31.

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Print Name

Signature

Date

Pursuant to 24 CFR 75, a Section 3 business concern seeking a contract shall submit to Pasco County, its contractors, and/or subcontractors (as applicable), if requested, sufficient evidence to demonstrate that the Business Concern is responsible and can perform successfully under the terms and conditions of the proposed contract. The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors subject to the procurement standards of 2 CFR 200.318(h)

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

SECTION 3 BUSINESS in Pasco County

Why? What are the Benefits?

1. **Bid on Pasco County HUD-funded Projects.** Subrecipients/ General Contractors will look to secure Section 3 Businesses.
2. A Section 3 Business in Pasco County will help your company **reach the benchmarks for the project.** All their workers will be Section 3 Workers and Section 3 Targeted Workers by definition.
3. **You can help your community.** The purpose of HUD Section 3 is to ensure economic opportunities, including subcontracting and employment, are directed to low-income workers and Section 3 Businesses.

How?

A business is eligible for Section 3 Business Concern status if it meets any of the following criteria:





- Business is 51% or more owned by a Section 3 worker or workers
- Over 75% of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers.
- Business is at least 51% owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

What Can You Do?

Provide supporting documentation as evidence of Section 3 criteria.



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Print Name

Title

Email

Pasco County Section 3-Initial Subcontracting Plan

Business Name		Prime ☐	Sub ☐	Do you qualify as a Section 3 Business Concern?	☐ Yes ☐ No
Business Address				Business Email	
Project Title / Project #				Contract Amount	\$

Part 1: Section 3 Subcontracting

Section 3 Subcontracting requirements are triggered by the need for subcontracts to complete a Section 3 covered contract. **If a prime contractor anticipates using subcontractors, each subcontractor must submit a separate Section 3 Initial Subcontracting Plan.**

☐ I do anticipate subcontracting any portion of the work on this contract.

☐ I do not anticipate subcontracting any portion of the work on this contract.

IF CONTRACTOR DOES NOT ANTICIPATE THE NEED FOR ANY SUBCONTRACTING, THE SECOND BOX MUST BE CHECKED ABOVE, AND THE CONTRACTOR SHOULD SKIP TO THE QUALITATIVE EFFORTS IN PART 2

Subcontractor Name	Work to be performed (Building trade or Other)	Section 3 Business?	Contract Amount
		☐ Yes ☐ No	
		☐ Yes ☐ No	
		☐ Yes ☐ No	
		☐ Yes ☐ No	





		☐ Yes ☐ No	
		☐ Yes ☐ No	

Pasco County Section 3-Initial Subcontracting Plan

PART II: Qualitative Efforts

Pasco County will require the vendor to engage in qualitative efforts to satisfy its benchmark goals, which may include, but are not limited to the following:

1. Engaging in outreach efforts to generate job applicants who are Targeted Section 3 Workers, posting job openings at the job site, HUD Opportunity Portal, social media pages, contacting Resident Advisory Councils, and other platforms;
2. Contacting agencies administering YouthBuild Programs and requesting their assistance in recruiting YouthBuild Program participants for training opportunities and employment positions;
3. Consulting with state and local agencies administering training programs, such as those funded through the Workforce Investment Act, unemployment compensation programs, community organizations, and other officials or organizations to assist with training and recruiting Section 3 Workers and Targeted Section 3 Workers;
4. Holding job fairs;
5. Providing or connecting Section 3 Workers and Targeted Section 3 Workers with assistance in seeking employment, including drafting resumes, preparing for interviews, finding job opportunities, and connecting residents to job placement services;
6. Providing or referring Section 3 Workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care);
7. Assisting Section 3 Workers to obtain financial literacy training and/or coaching;
8. Engaging in outreach efforts to identify and secure Section 3 Business Concerns bids.
9. Providing technical assistance to help Section 3 Business Concerns understand and bid on contracts;
10. Dividing contracts into smaller jobs to facilitate participation by Section 3 Business Concerns;
11. Providing bonding assistance, guarantees, or other efforts to support viable bids from Section 3 Business Concerns;
12. Other Qualitative Efforts. For example, outreach or referrals with the state one-stop system (Workforce Solutions as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.





What Qualitative Efforts will your organization perform? Please explain.

The qualitative efforts box must be answered and not left blank.

I understand that the information contained in this Section 3 Initial Subcontracting Plan may require verification, and I agree to provide additional documents verifying this information if requested. The contractor must, upon request, provide such records to Pasco County, its staff, or its designees.

Part III: Statement of Compliance

I understand that the information contained in this Subcontractor's List may require verification, and I agree to provide additional documents verifying this information if requested.

I hereby certify that the foregoing is true and correct. False, misleading, or inaccurate information may result in disqualification or debarment as a contractor for Pasco County.

Business Name	Name of Authorized Officer (printed)
Signature	Date

