-COMPLIANCE FORMS PACKAGE-

SECTION 3 NEW RULE
24 CFR Part 75

On November 30, 2020, HUD put into effect a New and Final Section 3 Rule for all recipients. This rule is drastically different from the old rule and therefore, we want everyone to know these requirements and plan accordingly.

- New Requirements Summary 15
- Monthly Reporting Instructions 16
- Section 3 Business Self-Certification Forms 17
- Section 3 Individual Self-Certification Forms 18
- Hours Worked Reporting Form 19
- Acknowledgment Form 20

Note: Page numbers are a continuation of the full Policy Package. If you are receiving just this Compliance Forms Package with or in relationship to your contract work, do not be alarmed if the full Policy is not included. As a part of the full document, it is important to maintain the alignment.

The full Policy is located on the web at: www.ocalafl.gov/government/community-development-services

- Twenty (20) percent or more of the total number of labor hours worked by all workers employed with Housing & Community. Development financial assistance projects are Section 3 workers; and
- Five (5) percent or more of the total number of labor hours worked by all workers employed with Housing & Community. Development financial assistance projects are Section 3 workers;
- There are No specific hiring or contracting goals or requirements under this new rule.
- There is No Section 3 Business Preference under the new rule and no points awarded for being a Section 3 Business.
- The rule requires that all persons and businesses being hired or contracted must be fully qualified to perform the work.

The two new categories of Section 3 are now referred to as:

- Section 3 Worker - Any low or very low-income persons residing in the housing authority MSA
- Targeted Section 3 Worker - Public Housing, Voucher Holder, YouthBuild participant

Contractors will provide these three (3) data sets to the City of Ocala within 45 days of the month after the hours have been worked by EVERY person that worked directly on the contract. No back-office staff hours are counted:

- Total Hours Worked by all workers
- Total Hours Worked by Section 3 Workers (Individual Self-Certification Form Required)
- Total Hours worked by Targeted Section 3 Workers (Individual Self-Certification Form Required

There are new definitions of how to be a Section 3 Business Concern:

- It is at least 51 percent owned by low- or very low-income persons; with businesses at least 6 months old
- Over 75 percent of the labor hours performed for the business are performed by low- or very low-income persons; or (Based on the prior 90 days of full business payrolls)
- It is a business at least 51 percent owned by current public housing residents or residents who currently live in Section 8-assisted housing, with businesses at least 6 months old

MONTHLY REPORTING INSTRUCTIONS

STEP ONE

Enter your company name and the name of the contract or task you are performing in the appropriate lines at the top of the form.

STEP TWO

Determine which workers qualify as Section 3 by having each complete a Section 3 Individual Low- Income Person Self-Certification Form. This form is submitted once per Section 3 employee or those that believe they meet the definition of a Section 3 employee.

The form is to be completed by the individual and stress to the employee that the form is Voluntary:

1. Complete contact info section
2. Check the box that describes your situation
3. Sign and date the form
4. Complete the employer information
5. Return to your employer

STEP THREE

After determining which workers are Section 3, determine their classification based on what they check in the box on the form as Non-Targeted or Targeted:

Non-Targeted are those Section 3 qualified workers who are low-income and reside in the MSA.

Targeted are those Section 3 qualified workers who are current YouthBuild participants

STEP FOUR

Enter the monthly dates of reporting on the first line, then proceed as follows:

1. Enter total hours worked by ALL contract or project level staff with exceptions as noted above*
2. Enter total hours worked by all Section 3 staff Non-Targeted
3. Enter total hours worked by all Section 3 staff Targeted

List ONLY the individual names of the workers who have self-certified as Section 3 (Non-Targeted and Targeted) along with their total hours for this months report only.

Submit the Section 3 Hours Worked Reporting Form on a monthly basis to the contact person noted on your reporting form below.

SECTION 3 BUSINESS

Voluntary Self-Certification Form

IN COMPLIANCE WITH SECTION 3 OF THE HUD ACT OF 1968 UPDATED 24 CFR PART 75 11/30/2020

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 Business Certification requirements. To count as a Section 3 Business your company/firm must meet one of the listed categories below. Each category will require additional documentation to support the election. You must provide that supporting documentation with this form properly completed to be confirmed as a Section 3 business. If this form is submitted without the required supplemental data, your certification will not be processed.

CATEGORY	DOCUMENTATION REQUIRED	YOUR ELECTION
a business at least 51 percent owned by low- or very low-income persons;	Proof of ownership showing all owners and their percentages and a completed Section 3 Individual Self-Certification form for all low- and very low-income owners	
Over 75 percent of the labor hours performed for the business are performed by low- or very low-income persons; or	Provide the last 90 days full payrolls for the entire company, make a list of the names from the payrolls of the Section 3 workers, and provide a completed Section 3 Individual Self- Certification for all low- and very low-income workers you list	
It is a business at least 51 percent owned by current public housing residents or residents who currently live in Section 8-assisted housing.	Proof of ownership showing all owners and their percentages and a Section 3 Individual Self-Certification form for all public housing and/or Section 8 owners	

I hereby certify to the US Department of Housing and Urban Development (HUD) that all of the information on this form is true and correct. I attest under penalty of perjury that my business meets the elected definition and understand proof of this information may be requested. If found to be inaccurate, I understand that I may be disqualified as a certified Section 3 business.

Full Name: _____

Company Name: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Signature: _____ Date: _____

SECTION 3 INDIVIDUAL LOW-INCOME PERSON

Voluntary Self-Certification Form

IN COMPLIANCE WITH SECTION 3 OF THE HUD ACT OF 1968 UPDATED 24 CFR PART 75 11/30/2020

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 self-certification income requirements. To count as a Section 3 individual, any legal resident of the United States annual income must not exceed the HUD income limits for the year before they were hired, or, the individual's current year income annualized for the year they are being confirmed as low-income.

Print Name _____

Phone _____ Email _____

Address _____

City _____ County _____ State _____ Zip _____

To qualify as a Section 3 Person, you must meet one of the standards in the brackets below and your individual annual income must not exceed the number in the box below.

Check only one box below that describes your situation:

____ I am a low or very low-income person residing in the service area within a one mile radius of the project site

___ My employer will certify that I am employed by a Section 3 business

___ I am a current YouthBuild participant

__My Individual 2024 Income Did Not Exceed $40,560

I hereby certify to the US Department of Housing and Urban Development (HUD) that all of the information on this form is true and correct. I attest under penalty of perjury that my total income is as shown above, and that proof of this information may be requested. If found to be inaccurate, I understand that I may be disqualified as an applicant and/or a certified Section 3 individual.

Signature: _____ Date: _____

SECTION 3

Required Hours Worked Reporting Form

IN COMPLIANCE WITH SECTION 3 OF THE HUD ACT OF 1968 UPDATED 24 CFR PART 75 11/30/2020

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 tracking of hours worked by all person's employed by _____(company name) on the___ _____contract including those meeting the Section 3 income requirements as low- or very low-income.

Section 3 Employees are now defined to as:

Section 3 Workers - Any low or very low-income persons residing within the project area, defined as a one-mile radius from the project center where a 5,000 person population is achieved.

Targeted Section 3 Workers - Current YouthBuild participants (If a program is active in the area)

If your company employs any person you believe is low income now or was when they were hired within the past five years, please have them complete the SECTION 3 INDIVIDUAL LOW-INCOME PERSON SELF-CERTIFICATION FORM" and return it immediately.

All hours worked by everyone on the project must be reported monthly to:

James Haynes, Director, Community Development Services
City of Ocala
(O) 352-629-8312
jhaynes@ocalafl.org

Total Hours Worked by non-Section 3 staff	
Total hours worked by all Non-targeted Section 3 employees	
Total hours worked by all Targeted Section 3 employee	

Please list the names and hours worked by each Section 3 Worker individually below or on a separate sheet.

First Name	Last Name	Total Hours This Period

Are You Attaching any New Contractor or Resident Self-Certification Forms to this month's report? _____Yes or _____No

City of Ocala

Section 3 New Rule Contractor Acknowledgement

(Return this form with your Bid/Quote/Response)

Company Name: _____

Contract or Project Name: _____

Trade Work/Classification: _____

I hereby certify to the US Department of Housing and Urban Development (HUD) that I have read all of the information in this policy package and agree to follow the requirements for complying with the order of prioritization in 75.19 and reporting of all labor hours associated with my contract as required. I further understand that failure to comply with these requirements will cause my payments to be held and not processed or not released until I come into full compliance with this policy.

Monthly, I will be required to provide these data points for all contract staff working directly on the contract not including any back-office staff:

☐ Total Hours Worked by all employees (Section 3 and regular employees)

☐ Total Hours Worked by All Non-Targeted Section 3 employees (Low-Income persons residing within a one-mile radius of the project site

☐ Total Hours Worked by All Targeted Section 3 employees are YouthBuild participants only

You are required to enter the names and hours worked by each Section 3 employee individually.

Signature: _____ Print: _____ Date: _____