



# City of Atlanta

## SECTION 3 PLAN

Department of Finance

Office of Grant  
Services

February 6, 2013

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# SECTION 3 PLAN

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CITY OF ATLANTA

SECTION 3 PLAN

**General Policy Statement**

It is the policy of the City of Atlanta 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. The City implements this policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of the City 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-moderate income residents and other eligible persons and business by contractors working on contracts partially or wholly funded with the United States Department of Housing and Urban Development (HUD) monies. The City shall examine and consider a contractor's or vendor's potential for success by providing employment and business opportunities to low-moderate income residents prior to acting on any proposed contract award.

## CITY OF ATLANTA

### SECTION 3 PLAN

#### **Purpose**

The City of Atlanta is committed to helping low income residents and businesses receive economic opportunities through training, employment and contracting from HUD assisted projects. The City of Atlanta 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.

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 federal 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 City of Atlanta ensure employment and other economic opportunities generated by HUD funds be directed to low and very low income residents.

CITY OF ATLANTA

SECTION 3 PLAN

**Section 3 Contracting Policy and Procedure**

The City of Atlanta 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.

All contractors/businesses seeking Section 3 preference must submit with bids/proposals to the City certifications, as appropriate, as acknowledgement of the Section 3 contracting and employment provisions required by this section. Such certifications, issued by the City of Atlanta, Office of Grant Services, shall be adequately supported with appropriate documentation as referenced in the form "A".

CITY OF ATLANTA

SECTION 3 PLAN

**Section 3 Plan**

The City of Atlanta 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 City's Community Development Department Program projects that fall under CDBG, HOME, HOPWA, and ESG housing construction, housing rehabilitation, and public improvement construction projects.

CITY OF ATLANTA

SECTION 3 PLAN

**Section 3 Employment & Training Goals**

It is the policy of the City to utilize residents and other Section 3 eligible persons and businesses in the contracts partially or wholly funded with monies from the Department of Housing and Urban Development (HUD). The City of Atlanta has established employment and training goals that contractors and subcontractors should meet in order to comply with Section 3 requirements. (Reference 24 CFR 135.30-Numerical goal 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 the City are required to certify that they comply with the requirement 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".

CITY OF ATLANTA

SECTION 3 PLAN

**Section 3 Program Participant Certification Procedure**

The City of Atlanta, Office of Grant Services will certify Section 3 program participants who reside in the City's metropolitan or non-metropolitan counties (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 City of Atlanta Office of Grant Services.

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 worksheet should be forwarded to the City of Atlanta Section 3 coordinator along with all required documents.

CITY OF ATLANTA

SECTION 3 PLAN

**Contractor's Requirements in Employing Section 3 participants:**

Under the City of Atlanta 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.

**b) Category 2 – Section 3 Resident**

Residents of Section 8 of the City of Atlanta Housing Authority as well as other residents residing in the City of Atlanta who meet the income guidelines for Section 3 preference (refer to current Section 3 Income Limits).

**c) Category 3 - Section 3 Resident**

The City of Atlanta First Source Employment Agreement used for hiring and recruiting City of Atlanta low income residents.

- 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 consist with Davis Bacon),
  4. Efforts that will be utilized to seek Section 3 participants
- 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 the Section 3 worksheet and required documentation certifying Section 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 employment of Section 3 participants.
- Immediately notify the Section 3 Coordinator if a participant quits, walk off, or is terminated for any reason. The contractor must provide in written documentation of all such incidents to support such decisions to the Section 3 Coordinator to determine if an investigation is warranted.

CITY OF ATLANTA

SECTION 3 PLAN

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

The City of Atlanta will assist contractors with little or no experience in achieving Section 3 hiring and contracting goals by:

1. City of Atlanta Section 3 Coordinator will provide contractor with a list of qualified Section 3 business concerns.
2. City of Atlanta Section 3 Coordinator will provide a list of Section 3 business concerns interested and qualified for construction projects.
3. City of Atlanta Section 3 Coordinator will provide documentation regarding the City's First Agreement and appropriate contact regarding a list of interested and qualified section 3 residents.
4. City of Atlanta will post on its web page 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.

CITY OF ATLANTA

SECTION 3 PLAN

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

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

- a. That is 51% percent or more owned by Section 3 residents; or
- b. Whose permanent full-time employees include persons, at least 30 percent 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
- c. That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to businesses that meet qualifications set forth in conditions (a) or (b) of this paragraph.

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

## CITY OF ATLANTA

### SECTION 3 PLAN

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

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

- Advertise contracting opportunities via newspaper, mailings, posting 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 pre-bid meetings at which the Section 3 business concerns would be informed of upcoming contracting opportunities in advance.
- Conduct workshops on the City of Atlanta contracting procedures to include bonding, insurance, and other pertinent requirements, in a timely manner in an effort to allow Section 3 business concerns the opportunity to take advantage of any upcoming contracting opportunities.
- Contact the City of Atlanta Housing Agency, and community organizations to inform them of contracting opportunities and to request their assistance in identifying Section 3 residents and businesses.
- Contact the City of Atlanta Workforce Development Agency to inform them of contracting and employment opportunities and request their assistance in identifying Section 3 Business as required by the City's **First Source Agreement**.

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SECTION 3 PLAN

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

The City of Atlanta, Office of Grant Services 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.
- 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 all eligible qualified Section 3 residents will be maintained at the City of Atlanta, Office of Grant Services.
- Contact the City of Atlanta Workforce Development Agency to inform them of employment and training opportunities and to request their assistance in identifying Section 3 residents.

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SECTION 3 PLAN

**Evidence of Section 3 Certification**

Any business seeking Section 3 preference in awarding of contracts or purchase agreements with the City of Atlanta shall complete the Section 3 Contractor Certification form, which can be obtained from the Section 3 Coordinator.

Certification forms should be completed and forwarded to the Section 3 Coordinator prior to bids for approval. See form "D"

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## CITY OF ATLANTA

### SECTION 3 PLAN

#### **Section 3 Contract Compliance**

The City of Atlanta Office of Grant Services will ensure compliance by implementing the following:

1. Conduct pre- Construction conferences with Contractors to provide information on Section 3 requirements.
2. Maintain an ongoing data base of certified section 3 businesses, as well as a file of certified section 3 residents. The information will be shared with Prime contractors during the Pre-Construction conference process.
3. Verify upon review -all contracts include the "Section 3 Clause" as required by 24 CFR 134.38. APPENDIX "A"
4. Ensure that each contract contains a signed Section 3 Employment, Training and Contracting agreement acknowledging compliance of the Housing Development Act of 1968. Form "I"
5. Ensure that each contractor/developer submit a signed Section 3 Bidder's Certification form acknowledging that they have read and understand the Section3 Clause and neither the project or company has any restrictions or disabilities which would prevent them from complying with said requirements. Form "A"
6. Maintain a list detailing name, classification and start date (per project) of Section 3 residents and Businesses working on City of Atlanta Section 3 covered project- prior to start of project. ***This list will be used to track employment/ training/ business opportunities offered by contractors.***
7. 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.
8. Conduct on site monitoring and employee interviews to ensure Section 3 compliance.
9. Forward in writing "notice to proceed with draw request" to the City of Atlanta Department Project Manager's, in receipt of a draw request, for payment from Developer/ contractor prior to disbursement of funds pending compliance.

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

Any Developer/ Contractor found to be non-compliant shall be subject to the following penalties:

- Withholding from the beneficiary or contractor in violation of all future payments under the involved government-assisted project until it is determined that the beneficiary or contractor 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 beneficiary or contractor demonstrates that there has been established and there shall be carried out all of the sections of this article
- Cancellation of the eligible project

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SECTION 3 PLAN

Contractors Requirement in Employing Section 3 Residents:

Under the City of Atlanta 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  
Resident of the housing development or developments for which the contract shall be expended.
- b) Category 2 – Section 3 Resident  
Residents of other

CITY OF ATLANTA

SECTION 3 PLAN

**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 to HUD's Economic Opportunity Division in Washington, DC.

**Monthly Reporting**

- General contractors and sub-contractors 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

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SECTION 3 PLAN

**Internal Section 3 Complaint Procedure**

In an effort to resolve complaints generated due to non-compliance through an internal process, the City of Atlanta encourages submittal of such complaints to its Office of Grant Services 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 City 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.

If complainants wish to have their concerns considered outside of the City of Atlanta a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunity  
United States Department of Housing and Urban Development  
451 Seventh Street, SW  
Washington, DC 20410

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.

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SECTION 3 PLAN

**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.

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SECTION 3 PLAN

**Applicability**

Community Planning and Development funding covered by Section 3 includes HOME Investment Partnership (HOME), Community Development Block Grant (CDBG), Economic Development Initiative (EDI), Brownfield Economic Development Initiative (BEDI), Homeless Assistance, University Partnership Grants, Neighborhood Stabilization Program (NSP), Emergency Shelter Grant (ESG), or Housing Opportunities for Persons with Aids (HOPWA), funds issued by the City of Atlanta, Office of Grants Management for use in construction projects.

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CITY OF ATLANTA

SECTION 3 PLAN

**Recipient Records and Reports**

Examples of records to be maintained are:

1. Copies of advertisements for training and employment;
2. Copies of Monthly Compliance reports;
3. Lists of Section 3 residents who applied or otherwise expressed an interest in training positions or employment;
4. Copies of solicitations or requests for proposals; Documentation of pre-construction conferences; Records of bid evaluations and selections
5. Correspondence or other documentation related to Section 3 grievances; Photographic evidence of displayed signs;
6. Copies of letters to community organizations;
7. Copies of notifications of awards to grantees and contractors
8. Copies of business affirmative action plans including records of solicitation mailing lists, direct solicitation of bids or proposals; and
9. Evidence of affirmative steps to include Section 3 business concerns; such as, dividing total work requirements into smaller sub-tasks, 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.

CITY OF ATLANTA

SECTION 3 PLAN

**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 is by the contractor certifying that they have read and understand the Section 3 resident and business requirements as found in the Section 3 Clause, 24 CFR 135.
- Estimated Work Force 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 the office of Grant Services Section 3 Coordinator.
- Certification of Section 3 Business Concern- (SECTION 3 FORM D) Completed if contractor qualifies as a Section 3 Business.
- Income 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 I) completed by contractor acknowledging and agreeing to comply with the Section 3 of the Housing Development Act of 1968.

**B. Recipient:**

- Section 3 Project Summary Report - (SECTION 3 FORM G) is completed using information from the Contractor/ Developer/ Sub-Contractor Section 3 Monthly Report for Section 3 qualified contracts.

**C. Additional forms**

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

**SECTION 3 – FORM A  
(SUBMIT WITH BID)**

**City of Atlanta  
Office of Grants Management  
68 Mitchell St, S.W., Ste. 15100  
Atlanta, GA 30335**

**SECTION 3 BIDDER'S CERTIFICATION**

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

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

Project Title: \_\_\_\_\_ Number: \_\_\_\_\_

This is to certify that I have read and understand the Section 3 resident employment and Section 3 resident business utilization requirements that apply to the above cited project, said requirements being known as the Section 3 Clause found in 24CFR 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.

Signature of Company Officer: \_\_\_\_\_

Title of Officer: \_\_\_\_\_

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

**City of Atlanta**  
**Office of Grants Management**  
 68 Mitchell St. S.W., Ste. 15100  
 Atlanta, GA 30335

**SECTION 3: ESTIMATED WORK FORCE BREAKDOWN**

*To be completed by contractors during the bidding process.*

1. Contractor Name and Address:		2. Contract No.	3. Dollar Amount of Contract	
		4. Contact Person:	5. Phone: (include area code)	
		6. Reporting Period:	7. Date Report Submitted:	
9. Project Name			10. HUD No.:	
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	No. of Positions Occupied by Permanent Employees	Number of Positions not Occupied	Number of Positions to be filled with Section 3 Residents*
Professionals				
Technicians				
Office/Clerical				
Construction by Trade (List)				
Trade				
Other (List)				

**\*Section 3 Resident:** Public housing resident or resident of the *City of Atlanta* (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.

**City of Atlanta**  
**Office of Grants Management**  
**Section 3 Monthly Report\***

*This report should be forwarded to the Office of Grants Management by the 10<sup>th</sup> business day of each month*

1. Recipient Name & Address:		2. Program:		3. Amount of Award or Contract:														
		4. Contact Person:		5. Phone:														
		6. Email:		7. Date of Submission:														
8. Program Code*:	9. Project Name:		10. Project Address:															
<p>*Program Codes Administered</p> <table border="0"> <tr> <td>1 = Flexible Subsidy Programs</td> <td>2 = Section 202/811 Housing Programs</td> <td>3 = Public/Indian Housing</td> <td>A = Development</td> <td>B = Operation</td> <td>C = Modernization</td> <td>4 = Homeless Assistance</td> <td>5 = HOME</td> <td>6 = HOME State Administered</td> <td>7 = CDBG Entitlement</td> <td>8 = CDBG State</td> <td>9 = Other CD</td> <td>10 = Other</td> </tr> </table>						1 = Flexible Subsidy Programs	2 = Section 202/811 Housing Programs	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	9 = Other CD	10 = Other
1 = Flexible Subsidy Programs	2 = Section 202/811 Housing Programs	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	9 = Other CD	10 = Other						

<b>Part I - Employment and Training Record (**Include New Hires in columns E &amp; F)</b>					
<b>A</b> Job Category	<b>B</b> Number of New Hires	<b>C</b> Number of New Hires that are Sec. 3 Residents	<b>D</b> % of Section 3 New Hires	<b>E**</b> % of Total Staff Hours for Sec 3 Employees and Trainees	<b>F**</b> Number of Sec 3 Employees and Trainees
Professionals					
Technicians					
Office/Clerical					
Construction by Trade:					
Trade:					
Trade:					
Trade:					
Trade:					
Other (List)					
<b>Total:</b>	NA	NA	NA	NA	NA

Please use additional sheets if necessary

**SECTION 3 FORM C**

**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 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 contact.)

\_\_\_\_\_ 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 contact.)

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

\_\_\_\_\_ Other efforts or explanations: please describe below (attach additional pages as needed)

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9/2011

Forward to:

Office of Grants Management  
68 Mitchell Street, SW, Suite 15100  
Atlanta, Georgia 30335  
Attn: Charlotte N. Daniely  
404-330-6045

**City of Atlanta  
Office of Grants Management**

Section 3 Contractor Certification

**Project Name:** \_\_\_\_\_

**Developer's Name:** \_\_\_\_\_

I UNDERSTAND THAT MY CONTRACT WITH \_\_\_\_\_  
(NAME OF DEVELOPER/CONTRACTOR) IS SUBJECT TO THE REQUIREMENTS OF  
SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968, AS AMENDED  
AND TO THE SECTION 3 PLAN FOR THIS PROJECT.

I CERTIFY THAT THE FIRM OF \_\_\_\_\_ (COMPANY'S  
NAME) IS A BONAFIDE SECTION 3 COMPANY, AND THAT IT MEETS THE FOLLOWING  
DEFINITION OF A SECTION 3 BUSINESS (CHECK ONE):

- 51% or more of the ownership of this company is owned by Section 3 residents, as defined by the developer of this project.
- Currently, at least 30% of the employees of the company are Section 3 residents, as defined by the developer of this project.
- At least 30% of the employees of the company were Section 3 residents, as defined by the developer of this project, within three years of the date of first employment with this company.
- I commit to subcontract at least 25% of the total value of this contract to Section 3 subcontractors, as these companies are defined above, and to provide the necessary evidence to substantiate this.

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

Forward to:

Office of Grants Management  
68 Mitchell Street, SW, Suite 15100  
Atlanta, Georgia 30335  
Attn: Sebrina Hightower  
404-330-6112 ext. 4638

**SECTION 3 FORM E**

**CITY OF ATLANTA**  
**Office of Grants Management**  
 68 Mitchell Street, Suite 15100, Atlanta, GA 30335

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**SECTION 3 RESIDENT WORKSHEET**  
 Eligibility of Preference

A Section 3 Resident seeking the preference in training and employment provided by Section 3 shall certify, or submit evidence to the recipient contractor or subcontractor, that the person is a

A. Are you a legal resident of the City of Atlanta? Yes  No  If yes, please go to the next section (B)

If you answered no, are you a resident of the COA surrounding metropolitan area? Yes  No   
 If yes, where do you reside? \_\_\_\_\_

Section 3 Resident, as defined in 24 CFR 135.5. see attachment for income limits.

B. Category determination:

a. Are you a public housing resident or do you receive housing assistance? Yes  No

b. Are a Section 8 voucher holder? Yes  No

c. Are you a HUD YouthBuild program participant? Yes  No

d. Do you meet the income guidelines attached to this form? Yes  No

If you meet the condition of both questions A and one of the categories of question B then you are a Section 3 resident. You must submit one of the required documents listed in question C to the employer.

C. Do you have proof of residency, assistance or income? (Check the corresponding box)

Proof of Income	Proof of Residency
<input type="checkbox"/> Proof of public residency (lease)	<input type="checkbox"/> Driver's license or State ID
<input type="checkbox"/> Pay Stub	<input type="checkbox"/> Lease
<input type="checkbox"/> Tax Documentation	<input type="checkbox"/> Other

D. Applicant Information

1. Applicant Name:	2. Date
3. Applicant Address:	4. Applicant Phone No.
5. Applicant e-mail address:	6. Best time to contact:
7. Annual Family Income: \$	8. Family Size:
9. Signature:	

I understand this worksheet is to determine eligibility for Section 3 residency. I understand that I may be asked to provide documentation regarding my income or residence in public housing or receipt of assistance.

**CITY OF ATLANTA  
OFFICE OF GRANTS MANAGEMENT**

**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 the City of Atlanta Office of Grants Management.

This project may require the hiring of 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 telephone 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 and 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 the City of Atlanta prior to being awarded preferences as a Section 3 Business Concern.

Please contact Sebrina Hightower at 404-330-6112, ext. 4638 or [shightower@atlantaga.gov](mailto:shightower@atlantaga.gov) for more information regarding Section 3.



## Section 3 Project Summary Report continued:

## Part II: Contracts Awarded

## 3. 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	

## 4. Non-Construction Contracts:

A. Total dollar amount of all non-construction contracts awarded on the project	\$
B. Total dollar amount of non-construction 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 non-construction 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.)

\_\_\_\_\_ 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 Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.

\_\_\_\_\_ Other; describe below.

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.

**Section 3 Project Summary Report continued:**

**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 on the basis of 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.*

1. **Project Subrecipient:** Enter the name and address of the project subrecipient submitting this report.
2. **County HCD Contract No.:** Enter the number that appears on the award. The number may be a contract number or a work authorization number if another County Department.
3. **Dollar Amount of Award:** Enter the dollar amount, rounded to the nearest dollar, received by the subrecipient.
- 4 & 5. **Contact Person/Phone:** Enter the name and telephone number of the person with knowledge of the award and the subrecipient's 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 County SD HCD Project.
10. **HUD No.:** Enter the HUD number assigned to the Project.
11. & 12. **Person Completing Form:** Enter the name and telephone number of the person completing the form if different from 4. & 5. above.

**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**

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 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 family incomes.

# Complaint Register

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

## U.S. Department of Housing and Urban Development

Office of Fair Housing  
and Equal Opportunity

## SECTION 3 FORM H

Name of Complainant (Person or organization)	Home Phone
Street Address	Work Phone
City, State, Zip code	
Against whom is this complaint being filed?	Business Phone
Name of organization or company	
Street Address	
City, State, Zip code	

Name and identify others (if any) who violated the law in this case

You are (check all that apply)

- |  |  |
|--|--|
| <input type="checkbox"/> A. Low/Very low income        | <input type="checkbox"/> D. Section 3 business concern |
| <input type="checkbox"/> B. Public housing resident    | <input type="checkbox"/> E. A representative of D      |
| <input type="checkbox"/> C. A representative of A or B |  |

Complaint is against (check one or more boxes)

- |   |  |
|---|--|
| <input type="checkbox"/> A. Applicant     | <input type="checkbox"/> D. Recipient                    |
| <input type="checkbox"/> B. Sub-Recipient | <input type="checkbox"/> E. Contractor                   |
| <input type="checkbox"/> C. Subcontractor | <input type="checkbox"/> F. Other (please specify _____) |

Basis for non compliance with Section 3

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Denied Training | <input type="checkbox"/> Denied Employment | <input type="checkbox"/> Denied Contracting |
|--|--|---|

What did the person you are complaining against do? (Check all that apply - provide documentation)

- |  |  |
|--|--|
| <input type="checkbox"/> A. Failed to meet numerical goals, as set out in the Section 3 regulations                                | <input type="checkbox"/> F. Failed to incorporate the Section 3 clause in Section 3 solicitations or contracts                 |
| <input type="checkbox"/> B. Failed to ensure that its contractors and subcontractors comply with Section 3                         | <input type="checkbox"/> G. Failed to train and/or employ Section 3 residents  |
| <input type="checkbox"/> C. Failed to notify Section 3 residents about training and/or employment opportunities                    | <input type="checkbox"/> H. Failed to award contracts to Section 3 business concerns   |
| <input type="checkbox"/> D. Failed to notify Section 3 business concerns about contracting opportunities                           | <input type="checkbox"/> I. Contracted with a contractor found to be in violation of applicable statues and/or HUD regulations |
| <input type="checkbox"/> E. Failed to notify potential contractors for Section 3 covered projects of the requirements of Section 3 | <input type="checkbox"/> J. Failed to provide preference to Section 3 residents in training and or employment opportunities.   |
|  | <input type="checkbox"/> K. Failed to provide preferences for Section 3 business concerns in contracting opportunities         |

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

Identify HUD assistance program(s). (Check all that apply)

- |                                      |   |                                      |  |
|--------------------------------------|---|--------------------------------------|--|
| <input type="checkbox"/> A. PIH/DEV  | <input type="checkbox"/> D. Other PIH     | <input type="checkbox"/> G. CDBG     | <input type="checkbox"/> J. Other CPD        |
| <input type="checkbox"/> B. PIH/MOD  | <input type="checkbox"/> E. 202/811       | <input type="checkbox"/> H. HOME     | <input type="checkbox"/> K. Lead-based Paint |
| <input type="checkbox"/> C. PIH/OPER | <input type="checkbox"/> F. Other Housing | <input type="checkbox"/> I. Homeless | <input type="checkbox"/> L. Other            |

Summarize what happened? Attach additional information if necessary

[Empty box for summarizing the incident]

Signature

Date

I declare under penalty of perjury that I have read this complaint (including any attachments) and that it is true and correct.

**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 1 hour 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-100. The information is not of a sensitive nature. The information is unique to the processing an allegation of noncompliance with the Section 3 statute or implementing regulations.

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.

**What does Section 3 of the Housing and Urban Development Act of 1968 provide?**

The law describes the HUD programs directly affected by Section 3, receiving Federal financial assistance from the Department, and dictates how these programs are to provide employment and other economic opportunities for low and very low income persons.

**What does the law cover?**

Section 3 applies to any Public and Indian Housing programs that receive: (1) developmental assistance pursuant to section 5 of the U. S. Housing Act of 1937; (2) operating assistance pursuant to section 5 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 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.

**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.

Complain to the Assistant Secretary for Fair Housing and Equal Opportunity, Department of Housing and Urban Development, by filing this form by mail or in person. The information received will be used by HUD to determine jurisdiction under Section 3.

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 Section 3 or in filing a complaint at the HUD Office listed below:

Assistant Secretary  
HUD Fair Housing and Equal Opportunity  
451 7<sup>th</sup> Street SW  
Washington, DC 20410  
(202)-708-3633

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

**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 delay or denial of HUD assistance.

Disclosure of this information is voluntary.

**SECTION 3 FORM I**

**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 City of Atlanta, shall result in termination of this contract for default, and/or debarment or suspension from future HUD-assisted contracts.

Name of  
Company/Organization: \_\_\_\_\_

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

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

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

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

## APPENDIX ONE

### Section 3 Contract Clauses:

These clauses should be included in any contract awarded for Section 3 covered projects administered by the Subrecipient:

- (1) 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.
- (2) 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.
- (3) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining contract 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.
- (4) The contractor shall include the Section 3 clauses in every subcontract subject to compliance with regulations in 24 CFR part 135, and shall 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.
- (5) 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.
- (6) 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.
- (7) 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).

## APPENDIX TWO

### FIRST SOURCE JOBS POLICY AND EMPLOYMENT AGREEMENT

It is the City's desire that the enactment of a policy to create a pool of employable persons who are residents of the City, to be called upon as a source filling jobs created or maintained as a direct or indirect result of public funding and incentives, will help to advance, restructure and re-vitalize the economic well-being of the City.

Construction contracts and/or beneficiaries of City controlled funds agree to make a Good Faith Effort to comply with the legislative intent and spirit of the First Source Jobs Policy Ordinance. The specific requirements of the Contractor or Beneficiary are as follows:

1. Agree to enter into an Employment Agreement with the City's Work Force Development Agency (WFDA);
2. Agree that the first source for finding employees to fill all entry-level jobs created by the eligible project will be the First Source register;
3. Agree that at least 50% of the entry-level jobs will be filled by persons who are included or are eligible for inclusion on the First Source Register;
4. Agree that each beneficiary and construction contractor shall make a good faith effort to reach the goal of each employment agreement and, after a reasonable time, each beneficiary or construction contractor shall be free to fill entry-level jobs from other sources;
5. The First Source Agreement shall only apply to entry-level jobs created by the eligible project, but it is the intent of the First Source Job Policy that the signatories to First Source Agreements shall comply with the spirit of the First Source Jobs agreement and continue to make good faith attempts to hire employees of similar background to those appearing on the First Source Register;
6. Agree that each construction contractor and beneficiary performing work under an eligible project shall include the provisions of the First Source ordinance and the Employment Agreement in every subcontract, lease or sublease so that such provisions will be binding upon each subcontractor, sub-lessee, or other ultimate recipient of the City funds or City administered funds. Any subcontractor, sub-lessee, or other ultimate recipient shall be exempt if not meeting minimum size requirements of 15 employees or \$50,000 contract amount;
7. Agree that each Employment Agreement shall require that if during the term of an Employment Agreement, the beneficiary or construction contractor should transfer possession of all or a portion of its business concerns affected by the Agreement to any other party by lease, sale, assignment or otherwise, the beneficiary or construction contractor as a condition of transfer shall require the transferee to agree, in writing, to the terms of the agreement. A new First Source Agreement shall be executed with the transferee prior to the effective date of the transaction;
8. Agree that the Definition of Term as used herein will conform with the definitions set forth in the City of Atlanta, Code of Ordinances as cited in Exhibit "A" Section 5-8001;
9. Agree to maintain a file consisting of the names and addresses of each referral made by Work Force Development Agency from the First Source Jobs Registrant to the contractor or beneficiary and a report of the action taken with respect to each such referral.
10. Submission of Contract Employment Reports (CER) on the City of Atlanta official form and to the extent required by the Contract Compliance Officer, list the number of current employees by job category;

11. Upon the written request of the Office of Contract Compliance and/ or the Work Force Development Agency, agree to provide a list of prospective entry level jobs prospects to be filled during the duration of the contract. This information shall be submitted on a Projected Employment Report (PER) ant provided by the City of Atlanta and shall be submitted within five (5) days of the request;
12. The contractor or beneficiary shall furnish all information and reports required by the Contract Compliance Office pursuant to the Code of Ordinances, and shall permit access to the books, records, and accounts of he contractor during normal business hours by the Contract Compliance Office for the purposes of investigation so as to ascertain compliance with the program.
13. The contractor or beneficiary shall take such action with respect to any subcontractor as the City may direct as a means of enforcing the provisions outlined herein, including penalties and sanctions for noncompliance; provided, however, that in the event the contractor becomes involved in or is threatened with litigation as a result of direction by the City, the City will enter into such litigation necessary to protect the interest of the City and to effectuate the First Source Jobs Policy Program of the City; and, in the case of contracts receiving federal assistance, the contractor or the City may request the United States to enter into such litigation to protect the interest of the United States.
14. A finding, as herein provided, that a refusal by the contractor, subcontractor or beneficiary to comply with any portion of this program as herein provided and described, may subject the offending party to any or all of the following penalties:
  - a. Withholding from the beneficiary or construction contractor in violation of all future payments under the involved government-assisted project until it is determined that the beneficiary or construction contractor is in compliance;
  - b. Withholding from the beneficiary or construction contractor in violation 10 percent of all future payments under the involved eligible project until it is determined that the beneficiary or construction contractor is in compliance;
  - c. Refusal of all future bids on City projects, or applications for financial assistance in any form from the City of Atlanta, or any of its departments or divisions until such time as the beneficiary or construction contractor demonstrates that there has been established and there shall be carried out all of the provisions of this chapter; or
  - d. Cancellation of the eligible project.

I hereby acknowledge and agree to implement the First Source Jobs Policy contained herein, and fully understand that failure to do so as rendered by a finding of noncompliance shall result in the application of the penalties cited in the Employment Agreement, number 14 (a) through (d).

Name of Contracting Agency: \_\_\_\_\_

\_\_\_\_\_  
 Authorized Contractor Representative (Signature, Title)

\_\_\_\_\_  
 Date

GM 3/99

## APPENDIX THREE

### Definitions

**Applicant** — 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 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.

**Assistant** — the Assistant Secretary for Fair Housing and Equal Opportunity.

**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 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** — all employment opportunities generated by the expenditure of Section 3 covered assistance (housing construction, housing rehabilitation, and public improvements funded by CDBG, HOME, HOPWA, and ESG as spelled out in 24 CFR Part 135).

**Low-income person** — 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.

**Metropolitan Area** — a metropolitan statistical area (MSA), as established by the City of Atlanta (COA)

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

**Recipient** — 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, 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**—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 owned by Section 3 resident; or
- 2) Whose permanent, full-time employees include persons, at least 51% 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.

## APPENDIX THREE

### **Section 3 Covered Assistance**

Assistance provided under any HUD community development program that is expended for work arising in connection with employment, housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

**Section 3 Clause** — the contract provisions set forth in Section 135.38

**Section 3 Covered Contracts** — 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 (FAR). 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.

**Section 3 Covered Project** - 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 Resident** — an individual who resides in the metropolitan area or non-metropolitan county in which the Section 3 covered assistance is expended and who is considered to be a low-to 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.

**Very low-income person** — families (including single persons) whose income 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.