

### SECTION 3 ACTION PLAN INFORMATION

BY THE  
PUBLIC HOUSING AGENCY OF THE  
CITY OF SAINT PAUL  
Maintenance Contracts Office  
555 North Wabasha Street, Suite 400  
St. Paul, MN 55102

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#### EMPLOYMENT, TRAINING, AND CONTRACTING OPPORTUNITIES FOR LOW-INCOME PERSONS

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.

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.

The Contractor agrees to send to each labor organization or representative of workers with which the Contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or 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.

The Contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The Contractor will not subcontract with any subcontractor where the Contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

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.

**In order to qualify for award of this contract, a successful bidder/proposer must be a certified Section 3 business (as defined below), OR the bidder/proposer will be required to negotiate and agree to a Section 3 Action Plan that includes, at minimum, the following commitments:**

1. At least 30% of new employees to be hired for this contract work will be hired from among qualified Section 3 residents (as defined below); or
2. At least 25% of subcontracted work under the contract will be subcontracted to certified Section 3 businesses; or

3. If the contractor is unable to achieve the goals stated in #1 or 2 above, the contractor will contribute an amount not less than 2.5% of the total contract amount to the PHA's Section 3 Training Fund. Such contribution shall be made in the form of a check written to the PHA following award of the contract, rather than a reduction in the contract amount to be paid by the PHA.

**WHO IS A SECTION 3 RESIDENT?**

To qualify as a Section 3 Resident, a person must either be:

1. A resident of Public Housing; or
2. A resident of the metropolitan area whose household income (not individual income) in the previous year was less than the limits shown below.

Among equally-qualified Section 3 residents, first preference for hiring should be given to residents of the public housing property where the contract work will be performed. Second preference should be given to other residents of public housing, followed by other low or very low income residents of the metropolitan area.

**WHAT IS A SECTION 3 BUSINESS?**

To qualify as a Section 3 Business, the business must certify that it meets at least one of the three criteria listed below. Businesses can certify at the City of Saint Paul, [City of St. Paul Website - Section 3](#) or HUD, [HUD Website - Section 3](#).

1. 51% of the business is owned by residents of public housing; or
2. 51% of the business is owned by Twin Cities metropolitan area residents who qualify as low, or very low income (See chart below); or
3. At least 30% of the full time permanent employees of the business are residents of public housing or are Twin Cities metropolitan area residents whose household incomes qualify as low, or very low income (See chart below).

**INCOME LIMITS:** To qualify as low income or very low income residents of the Twin Cities Metro Area, persons and/or families must live in the metro area and must meet the following household income limits:

**2018 Gross Household Income Maximum**

<b>Number in Household</b>	2 person	3 person	4 person	5 person	6 person	7 person	8 person
<b>Low Income 80% MFI</b>	\$57,550.00	\$64,750.00	\$71,900.00	\$77,700.00	\$83,450.00	\$89,200.00	\$94,950.00

Noncompliance with HUD's Section 3 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.