

## SECTION 3 BUSINESS PREFERENCE CERTIFICATION FORM

Section 3 is a means by which HUD fosters local economic development, neighborhood economic improvement, and individual self-sufficiency. Section 3 is the legal basis for providing jobs for residents and awarding contracts to businesses in areas receive certain types of HUD financial assistance.

Under Section 3 of the HUD Act of 1968, wherever HUD financial assistance is expended for housing or community development, to the greatest extent feasible, economic opportunities will be given to Section 3 residents and businesses in that area.

Congress established the Section 3 policy to guarantee that the employment and other economic opportunities created by Federal financial assistance for housing and community development programs should, if possible, be directed toward low- and very-low persons, particularly those who are recipients of government assistance for housing.

Section 3 residents are:

- Public Housing residents
- Low and very-low persons who live in the metropolitan area or Non-metropolitan County where a HUD assisted project for housing or community development is located.

Section 3 Businesses:

- Is at least 51 percent or more owned by Section 3 residents,
- Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents, or
- That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to a Section 3 business concern.

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If the proposing company **DOES NOT** qualify for the Section 3 preference stated above: do not complete the remaining parts of this document.

If the proposing company **DOES** qualify for the Section 3 Preference stated above: complete the remainder of this document and print the completed form.

Attached is the following documentation as evidence of status:

*For all businesses as applicable:*

- |  |   |
|--|---|
| <input type="checkbox"/> Copy of Articles of Incorporation                                     | <input type="checkbox"/> Certificate of Good Standing |
| <input type="checkbox"/> Assumed Business Name Certificate                                     | <input type="checkbox"/> Partnership Agreement        |
| <input type="checkbox"/> List of owners/stockholders and % of each                             | <input type="checkbox"/> Corporation Annual Report    |
| <input type="checkbox"/> Latest Board minutes appointing officer's                             | <input type="checkbox"/> Additional documentation     |
| <input type="checkbox"/> Organizations chart with names, titles and brief functional statement |   |
| <input type="checkbox"/> Corporate Seal  |   |

*For businesses claiming status as Section 3 resident-owned Enterprise (Priority I):*

- |   |   |
|---|---|
| <input type="checkbox"/> Copy of resident lease   | <input type="checkbox"/> Other evidence |
| <input type="checkbox"/> Copy of evidence of participation in a public assistance program |   |

*For business claiming Section 3 status, claiming at least 30% of their workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business (Priority II and/or IV):*

- |  |  |
|--|--|
| <input type="checkbox"/> List of all current full-time employees | <input type="checkbox"/> List of all employees claiming Section 3 status               |
| <input type="checkbox"/> PHA lease (less than 3 years from DOE)  | <input type="checkbox"/> Other evidence of Section 3 status (less than 3 yrs from DOE) |

*For business claiming Section 3 status by subcontracting 25% of the dollar awarded to qualified Section 3 business (Priority VII):*

- List of subcontracted Section 3 business and subcontract amount

*Evidence of ability to perform successfully under the terms and condition of the proposed contract:*

- |   |  |
|---|--|
| <input type="checkbox"/> Current financial statement    | <input type="checkbox"/> List of owned equipment                                       |
| <input type="checkbox"/> Statement of ability to comply | <input type="checkbox"/> List of all contracts for the past 2 years with public policy |

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Authorizing Signature	Date	Printed Name
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Sign this document in the presence of a Notary Public.

Before me the undersigned authority appeared \_\_\_\_\_, who under oath swears that the fore-going statement is true and correct.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ by me, the undersigned authority in and for the County of \_\_\_\_\_, State of Texas.

Notary Public: \_\_\_\_\_

(Notary Seal)

My commission expires: \_\_\_\_\_

Name of Business: \_\_\_\_\_

Address of Business: \_\_\_\_\_

Type of Business:  Corporation  Partnership  Sole Proprietorship  Joint Venture

*The HA has established the following priority for preference when providing contracting opportunities to Section 3 Business. Please indicate which Priority your business qualifies for. **NOTE: A business concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence that the business concern is a Section business concern.***

\_\_\_\_\_ **Priority I**

**Category 1a Business**

Business concerns that are 51 percent or more owned by residents of the housing development or developments for which Section 3-covered assistance is expended.

\_\_\_\_\_ **Priority II**

**Category 1b Business**

Business concerns whose workforce includes 30 percent of residents of the housing development for which the Section 3-covered assistance is expended, or within three (3) years of the date of first employment with the business concern, were residents of the Section 3-covered housing development.

\_\_\_\_\_ **Priority III**

**Category 2a Business**

Business concerns that are 51 percent or more owned by residents of any other housing development or developments.

\_\_\_\_\_ **Priority IV**

**Category 2b Business**

Business concerns whose workforce includes 30 percent of residents of any other public housing development or developments, or within three (3) years of the date of first employment with the business concern, were "Section 3" residents of any other public housing development.

\_\_\_\_\_ **Priority V**

**Category 3 Business**

Business concerns participating in HUD Youth-build programs being carried out in the metropolitan area in which the Section 3-covered assistances is expended.

\_\_\_\_\_ **Priority VI**

**Category 4a Business**

Business concerns that are 51 percent or more owned by Section 3 residents in the metropolitan area, or whose permanent, full-time workforce includes no less than 30 percent of Section 3 residents in the metropolitan area, or within three (3) years of the date of employment with the business concern, were Section 3 residents in the metropolitan area.

\_\_\_\_\_ **Priority VII**

**Category 4b Business**

Business concern that subcontract in excess of 25 percent of the total amount of subcontracts to Section 3 business concerns.