



**SECTION 3 PROGRAM
BUSINESS
RE-CERTIFICATION APPLICATION**

1. **Background** – Section 3 is a statutory provision which requires that HUD administer its programs providing direct financial assistance so that, to the greatest extent feasible, opportunities for job training, employment and contracting are given to lower income persons and firms in the area in which a HUD-assisted project is located. The Assistant Secretary for Fair Housing and Equal Opportunity has been delegated the responsibility for implementing this statutory provision. Section 3 is directed toward lower income residents and local businesses. Its legislative history reveals that Section 3 was originally designed to stimulate jobs and contracts for those persons who would be the beneficiaries of HUD's program assistance, primarily through large construction projects.
2. **Purpose** - Section 3 does not require the creation of jobs for low income-income persons or for anyone simply for the sake of creating economic opportunities. Section 3 requires that when employment or contract opportunities are generated by a recipient of HUD financial assistance because it necessitates the employment of additional personnel through individual hiring or awards of contracts for work, the recipient **must give preference to** Section 3 Residents as **30%** of the aggregate number of **new hires**. In addition, it **must give preference in contracting at least 10%** to certified Section 3 businesses that are owned by these persons or those that substantially employ low-income persons.

The Cuyahoga Metropolitan Housing Authority (CMHA) not only desires to include low-income persons in recruitment and solicitation efforts but also desires to undertake extra efforts to make these persons aware of the existence of the economic opportunities. Therefore, CMHA encourages applications for these opportunities and strives to award contracts to certified Section 3 businesses.

3. **Applicability** - In the Cuyahoga County metropolitan area, Section 3 applies to the following assistance:
 - 1) Public Housing assistance
 - 2) Housing and Community Development assistance

This includes housing rehabilitation, housing construction and other public improvement activities.

Thresholds – A covered project is one that meets the Section 3 threshold level that exceeds \$200,000 in Federal assistance for housing construction, reconstruction, conversion, rehabilitation or public construction.

A covered contract is 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 System (see 48 CFR, Chapter 1). "Section 3 covered contracts" also do not include contracts for the purchase of supplies and materials.

The requirements apply to the **entire project or activity** whether fully or partially funded by HUD Section 3 covered assistance.

You may download a certification application at <http://www.cmha.net>.

For further information contact Ms. Lydia Sanders, Section 3 Coordinator at 216-271-3247 or by email sandersl@cmha.net.

**CUYAHOGA METROPOLITAN
HOUSING AUTHORITY
SECTION 3 PROGRAM**

**SECTION 3 BUSINESS PROGRAM
POLICY STATEMENT**

It is the policy of the Cuyahoga Metropolitan Housing Authority (CMHA) to ensure that employment and other economic opportunities generated by certain HUD financial assistance, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low income persons, particularly those who are recipients of public housing.

The Section 3 Program is an integral part of CMHA's compliance with its non-discriminatory employment program under Employment Opportunity and meets the requirements imposed upon Public and Indian Housing Authorities as set forth under Section 3 of the Housing and Urban Development Act of 1968, as amended.

The Cuyahoga Metropolitan Housing Authority, in compliance with the HUD regulations, implemented a program which requires that when employment or contract opportunities are generated by a recipient of HUD financial assistance because it necessitates the employment of additional personnel through individual hiring or awards of contracts for work, the recipient **must give preference to Section 3 Residents as 30% of the aggregate number of new hires**. In addition, it **must give preference in contracting at least 10%** to certified Section 3 businesses that are owned by these persons or those that substantially employ low-income persons.

Fulfilling the objectives of the Section 3 Program is a cooperative effort and the CMHA is obliged to lead the way by establishing and implementing affirmative procedures and practices which will ensure successful implementation. The CMHA may refuse to do business with any entity that does not make good faith efforts to comply with meeting the requirements of CMHA and carrying out the plans of this Program.

Section 3 Business

Section 3 business means:

Section 3 Business Concern means a business concern:

1. That is **51%** or more owned by a Section 3 resident ;**or**
2. Whose permanent, full-time employees include persons, at least **30%** of whom are currently Section 3 residents or within three years of the date of first employment with the business were Section 3 resident(s); **or**
3. That provides evidence of a commitment to subcontract in excess of **25%** of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) and (2) in this definition of "Section 3 Business Concern."

Section 3 Business Re-Certification Application

Applications for Section 3 Business re-certification may be obtained from the Cuyahoga Metropolitan Housing Authority, Real Estate and Development Department, 8120 Kinsman Rd., Cleveland, OH 44104 or by visiting the CMHA website at www.cmha.net, Real Estate and Development tab.

Re-Certification Process

You must complete the re-certification application and provide all required supporting documentation. A checklist of required documentation is provided at the end of this packet. A site visit will only be conducted if your business address is different than the address on your initial application. Once it has been determined that you're a bona fide business entity, CMHA will issue a Section 3 Business Certificate and list your business in the CMHA Section 3 Business Directory. **Note:** Your certification is also valid with the City of Cleveland-Department of Community Development and Cuyahoga County-Department of Development for a three-year period.

Completed Applications

Mail completed application and required documentation to:

Cuyahoga Metropolitan Housing Authority
Purchasing Department
8120 Kinsman Road
Cleveland, OH 44104
Attn: Lydia Sanders

**CUYAHOGA METROPOLITAN
HOUSING AUTHORITY
SECTION 3 PROGRAM**

**SECTION 3 BUSINESS PROGRAM
RE-CERTIFICATION APPLICATION**

Business Name: _____

Business Address: _____

City: _____ State: _____ Zip: _____

Business Phone: () _____ Business Fax: () _____

Cell Phone: () _____ Email Address: _____

I am recertifying as:

- Business that is 51% or more owned by a Section 3 resident (**Complete Section 3 Resident Income Verification Form**); or
- Business whose permanent, full-time employees include persons, at least 30% of whom are currently Section 3 residents or within three years of the date of first employment with the business were Section 3 resident(s) (**Complete Section 3 Business Certification Form and Section 3 Resident Income Verification Form for each of your employees**); or
- Business that can provide evidence of commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) and (2) in this definition of "Section 3 Business Concern."

OWNERSHIP INFORMATION

Owners Name: _____ Title: _____

(If more than one owner, complete separate application)

Check the box which indicates how is this business owned:

- Individual (Sole Proprietor)**
A business which is owned directly by one person.
- General Partnership**
A business owned by two or more persons each of who are liable for the debts of the partnership.
- Limited Partnership**
A business owned by one or more general partners and one or more limited partners. Limited partnerships must file organizing documents with the State of Ohio, Office of Secretary of State.
- Limited Liability Company**
A form of business which has limited liability to its owners. Limited Liability Companies must register with the State of Ohio, Secretary of State.
- Corporation**
A legal entity that acts as a person, separate from its members or shareholders. It must file Articles of Incorporation or Domestication with the State of Ohio, Office of Secretary of State.

Date Business Established: -- (Ex. 01-01-2008)
 (Must be an established business for at least one-year)

Federal Employer's Identification Number (FEIN):
- (Ex. 34-1234567)

Social Security Number:
-- (Ex. 123-45-6789)

TYPE OF BUSINESS

- | | | |
|---------------------------------------|---|--|
| <input type="checkbox"/> Consultant | <input type="checkbox"/> Computer (Repair/Sales) | <input type="checkbox"/> General Contractor |
| <input type="checkbox"/> Demolition | <input type="checkbox"/> Trucking | <input type="checkbox"/> Pest Control |
| <input type="checkbox"/> Painting | <input type="checkbox"/> Heating (HVAC) | <input type="checkbox"/> Concrete/Asphalt |
| <input type="checkbox"/> Carpentry | <input type="checkbox"/> Environmental Cleaning | <input type="checkbox"/> Asbestos |
| <input type="checkbox"/> Electrical | <input type="checkbox"/> Roofing | <input type="checkbox"/> Lead Abatement |
| <input type="checkbox"/> Plumbing | <input type="checkbox"/> Window/Door Installation | <input type="checkbox"/> Carpet/Floor Installation |
| <input type="checkbox"/> Vinyl Siding | <input type="checkbox"/> Landscaping/Snow Plowing | <input type="checkbox"/> Other (Specify): |

CONTROL OF FIRM

Responsibilities	Name	Race	Gender	Title
Signor of Checks and Payroll			<input type="checkbox"/> M <input type="checkbox"/> F	
Estimating			<input type="checkbox"/> M <input type="checkbox"/> F	
Sales/Marketing			<input type="checkbox"/> M <input type="checkbox"/> F	
Human Resources			<input type="checkbox"/> M <input type="checkbox"/> F	
Field Supervisor			<input type="checkbox"/> M <input type="checkbox"/> F	
Financial Decisions			<input type="checkbox"/> M <input type="checkbox"/> F	
Purchasing			<input type="checkbox"/> M <input type="checkbox"/> F	
Insurance			<input type="checkbox"/> M <input type="checkbox"/> F	

CONTRACT/SALES VOLUME

Please list 3 current contract references:

Supplier Name	Address	Phone	Annual Volume
			\$
			\$
			\$

As primary owner of this business, I certify that the business is registered with the City of Cleveland and, or State of Ohio as a legal business to perform the work as described herein.

I further certify that this business is **51%** or more owned by a Section 3 resident; or at least **30%** of the company's permanent, full-time employees are currently Section 3 residents, or within three (3) years of the date of first employment with the business were Section 3 residents; or that I can provide evidence of commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications set forth in paragraphs (1) and (2) in this definition of "Section 3 Business Concern." . Additionally, I certify that the residents meet the HUD low income definition and will comply with quarterly reporting to substantiate the income of each Section 3 Resident employee claimed by my business.

By signing below, I swear that the foregoing statements made as part of this application are true and correct and includes all material information necessary. Further, the undersigned agrees to provide directly to CMHA any and all information and materials as may be required to substantiate the ownership and control of said company. This includes complete cooperation with CMHA allowing the examination of books, records, and files of the named company at the business location or CMHA office. I understand any material misrepresentation will be grounds for terminating any contract, which may be awarded, and for imposing sanctions under federal, state, or local laws concerning false statements. Please note that the information provided with this application may be subject to such laws. If, after filing this document, there are any changes (during the ensuing calendar year) in the information submitted herein, the undersigned will inform the certifying organization to which this form was initially submitted immediately of the change (s).

Owners Name: _____ Title: _____

Owners Signature: _____ Date: _____

Note: This application is subject to all rules and regulations developed by the HUD Fraud, Waste and Abuse Office.

**CUYAHOGA METROPOLITAN
HOUSING AUTHORITY
SECTION 3 PROGRAM**

SECTION 3 CLAUSE

This affidavit must display an original signature and notary seal.

Business Name: _____

Business Address: _____

City: _____ State: _____ Zip: _____ County: _____

Business Phone: () _____ Fax Number: () _____

- A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 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.
- B. The parties to this contract agree to comply with HUD's regulation in 24CFR Part 135, which implemented Section 3. As evidence 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.
- C. The contractor agrees to send to each labor organization or representative of workers 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 this notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. This 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.
- D. **The contractor agrees to include this Section 3 Clause in every subcontract subject to compliance with regulations in 24CFR part 135,** and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 Clause. Upon finding that the subcontractor is in violation of the regulation in 24 CFR Part 135, the contractor will not subcontract with any subcontractor where the contractor has notice of knowledge that the subcontractor has been found in violation of the regulations in 24CFR Part 135.
- E. 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.
- F. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contractor for default, and debarment or suspension from future HUD assisted contracts.

I certify that I have read the above information and understand the Section 3 requirements and numerical goals.

NOTARIZATION: (Sign only in the presence of a Notary Public)

Signature

Print Name

Title

Date

State of _____ County of _____ on this ____ day of _____ 20____, before me appeared

_____ acknowledging that he/she has read and understands the Section 3 requirements and numerical goals set forth.

Notary Signature

Commission Expiration

Notary Seal

**CUYAHOGA METROPOLITAN
HOUSING AUTHORITY
SECTION 3 PROGRAM**

**SECTION 3
INCOME AFFIDAVIT**

Company Name:		Date:	
Address: City & State: Zip Code:			
Person Completing this Form:	Telephone Number:	Fax Number:	Email Address:

I verify that I **was hired by** or **am part owner of having** ____% **ownership** of the above mentioned business which performs the following type of work (check all that apply):

- | | | |
|--|---|---|
| <input type="checkbox"/> Demolition | <input type="checkbox"/> Trucking | <input type="checkbox"/> General Contractor |
| <input type="checkbox"/> Carpet/Floor Installation | <input type="checkbox"/> Lead Abatement | <input type="checkbox"/> Extermination |
| <input type="checkbox"/> Painting | <input type="checkbox"/> Heating (HVAC) | <input type="checkbox"/> Concrete/Asphalt |
| <input type="checkbox"/> Carpentry | <input type="checkbox"/> Environmental Cleaning | <input type="checkbox"/> Asbestos |
| <input type="checkbox"/> Electrical | <input type="checkbox"/> Roofing | <input type="checkbox"/> Lead Abatement |
| <input type="checkbox"/> Plumbing | <input type="checkbox"/> Window/Door Installation | |
| <input type="checkbox"/> Vinyl Siding | <input type="checkbox"/> Landscaping/Snow Plowing | <input type="checkbox"/> Other (Specify): _____ |

My Total Household Income last year (**note calendar year:** _____) was not greater than the amount noted below based on the number of person in my family.

AREA 2012 LOW-INCOME LIMITS

Check box that applies	Family Size: Number in Household	Household Income (less than)
<input type="checkbox"/>	1 Person	\$35,700.00
<input type="checkbox"/>	2 Persons	\$40,800.00
<input type="checkbox"/>	3 Persons	\$45,900.00
<input type="checkbox"/>	4 Persons	\$50,950.00
<input type="checkbox"/>	5 Persons	\$55,050.00
<input type="checkbox"/>	6 Persons	\$59,150.00
<input type="checkbox"/>	7 Persons	\$63,200.00
<input type="checkbox"/>	8 Persons	\$67,300.00

To be completed by Employee:

I certify that the information completed is true and accurate. I agree to provide any documentation (if requested) that confirms the accuracy of my Family Size and Total Household Income for the stated calendar year.

Print Name:		Dated Hired:		
		(if employee)		
Address:	City:	State:	Zip:	Phone:
Signature:				Date:

The goal of the HUD-Section 3 requirement is to provide self-sufficiency opportunities to residents and businesses of neighborhoods receiving HUD funding for fair housing and community development activities. This certification is subject to all rules and regulations developed by the HUD Fraud, Waste and Abuse Office.

**CUYAHOGA METROPOLITAN HOUSING
AUTHORITY**

**SECTION 3 BUSINESS CERTIFICATION FORM
(30% SECTION 3 EMPLOYEES)**

Business Name: Address: City & State: Zip:				Date Completed:			
Person Completing This Form:		Telephone Number:		FAX Number:		Email Address:	
LEGAL STATUS: Check (✓) One							
Sole Proprietor <input type="checkbox"/>		Corporation <input type="checkbox"/>		Partnership <input type="checkbox"/>		Date Business Established	Ward:
Federal I.D. No. or Social Security No.:				If applicable, MBE/FBE Certification Date:			
Total Number of Employees:		Number of Section 3 Employees*:			Percent of Section 3 Employees: %		

This business is located in Cuyahoga County and registered with the City of Cleveland and, or State of Ohio as a legal business to perform the following work:

- | | | |
|---------------------------------------|---|--|
| <input type="checkbox"/> Carpentry | <input type="checkbox"/> Heating (HVAC) | <input type="checkbox"/> Concrete/Asphalt |
| <input type="checkbox"/> Painting | <input type="checkbox"/> Environmental Cleaning | <input type="checkbox"/> Asbestos |
| <input type="checkbox"/> Electrical | <input type="checkbox"/> Roofing | <input type="checkbox"/> Lead Abatement |
| <input type="checkbox"/> Plumbing | <input type="checkbox"/> Window/Door Installation | <input type="checkbox"/> Carpet/Floor Installation |
| <input type="checkbox"/> Vinyl Siding | <input type="checkbox"/> Landscaping/Lawn Care | <input type="checkbox"/> Other _____ |

As primary owner of this business, I certify that at least **thirty percent (30%)** of the company's permanent, full-time employees are currently Section 3 residents, or within three (3) years of the date of first employment with the business were Section 3 residents. The residents meet the HUD low income definition as verified by the attached Section 3 Income Verification Form Completed and signed by each Section 3 Resident employee claimed by my business.

***SECTION 3 INCOME VERIFICATION FORM(S) ATTACHED FOR EACH EMPLOYEE**

Owner's Name:	Title:
Signature:	Date:

This application is subject to all rules and regulations developed by the HUD Fraud, Waste and abuse Office.



CMHA Real Estate and Development
 8120 Kinsman Road
 Cleveland, Ohio 44104

Core Employees List

Each contractor must submit this notarized company employee list comprised of current employees hired prior to Section 3-covered HUD contract award. Please attach Resident Income Affidavit for each Section 3 resident listed below. You may attach additional pages as needed.

Company Name:		Date:	
Project Name:			
Project Number:		Start Date:	
Address:			
City, State Zip:			
Phone:			
Email:			

#	Name	Hire Date	S3 Resident?	Job Type
1			<input type="checkbox"/>	
2			<input type="checkbox"/>	
3			<input type="checkbox"/>	
4			<input type="checkbox"/>	
5			<input type="checkbox"/>	
6			<input type="checkbox"/>	
7			<input type="checkbox"/>	
8			<input type="checkbox"/>	
9			<input type="checkbox"/>	
10			<input type="checkbox"/>	
11			<input type="checkbox"/>	
12			<input type="checkbox"/>	
13			<input type="checkbox"/>	
14			<input type="checkbox"/>	
15			<input type="checkbox"/>	
16			<input type="checkbox"/>	
17			<input type="checkbox"/>	
18			<input type="checkbox"/>	
19			<input type="checkbox"/>	
20			<input type="checkbox"/>	
21			<input type="checkbox"/>	
22			<input type="checkbox"/>	
23			<input type="checkbox"/>	
24			<input type="checkbox"/>	
25			<input type="checkbox"/>	

Subscribed and sworn before me this ____ day of _____ 20__.

Notary's Signature _____

(Affix Seal Here)

REQUIRED DOCUMENTATION

The following documents are required with application submittal:

- Completed application
- Section 3 Clause (must be notarized)
- Business taxes (last two years)
- Personal taxes (last two years)
- Workers compensation certificate
- Liability insurance certificate
- Copy of current CMHA lease agreement **(if applying as a CMHA Public Housing Resident Owned Business)**
- Section 3 Resident Income Affidavit; Complete for each employee (copy as needed)
- Section 3 Business Certification Form **(if 30% of your employees are Section 3 residents)**
- Core Employees List (must be notarized)

If you need assistance completing this application, please contact:

Lydia Sanders, Section 3 Coordinator at (216) 271-3247 / sandersl@cmha.net or Robert Wilson, SDB
Manager at (216) 271-2838 / wilsonr@cmha.net