

TENNESSEE VALLEY HOUSING SERVICES

P.O. Box 497 | Morristown, TN 37815

INTERNAL PROCEDURES, INSTRUCTIONS, AND FORMS

This packet is designed to comply with the New HUD Section 3 Final Rule issued September 29, 2020, and became effective November 30, 2020. Therefore, these documents and instructions are related to the “Hours Worked Benchmarks” as called for in the 24 CFR Part 75 regulation. Every contractor and sub-contractor (except for professional services) are required to work toward meeting the prescribed benchmarks as indicated on the bottom of page 10 of this packet. There are no specific hiring or contracting goals under this new rule.

The rule does not require the hiring or contracting of any person or business that is not fully qualified to perform the work as would be charged. However, the rule makes clear that HUD is intent on ensuring Section 3 persons employed under the new rule receive measurable and sustainable employment. Therefore, Section 3 employees can be counted for up to five years from the date of certification or hire respectively. HUD is expected to issue continued guidance on the new rule in the future so these documents may change in accordance with the rule.

If you should have any questions on this packet, please contact our Compliance Consultant:

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Updated December, 2023



GOVERNING PARTS OF THE SECTION 3 FINAL RULE SPECIFIC TO
 TENNESSEE VALLEY HOUSING SERVICES
 The Final Rule is at 24 CFR Part 75

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SECTION 3 BACKGROUND

Applicable to all expenditures and agreements regardless of the dollar amount

Background - Section 3 of the Housing and Urban Development Act of 1968 (Public Law 90-448, approved August 1, 1968) (Section 3) was enacted to bring economic opportunities generated by certain HUD financial assistance expenditures, to the greatest extent feasible, to low- and very low-income persons residing in communities where the financial assistance is expended. Section 3 recognizes that HUD funds are often one of the largest sources of Federal funds expended in low- and very low-income communities and, where such funds are spent on activities such as construction and rehabilitation of housing and other public facilities, the expenditure results in economic opportunities. By directing HUD-funded economic opportunities to residents and businesses in the community where the funds are expended, the expenditure can have the dual benefit of creating new or rehabilitated housing and other facilities while providing opportunities for employment and training for the residents of these communities.

The Section 3 statute establishes priorities for employment and contracting for public housing programs and for other programs that provide housing and community development assistance. For example, the prioritization as it relates to public housing assistance places an emphasis on public housing residents, in contrast to the prioritization as it relates to housing and community development assistance, which places more emphasis on residents of the neighborhood or service area in which the investment is being made.

INTERNAL PROCEDURES FOR IMPLEMENTATION OF THE RULE

Tennessee Valley Housing Services Internal Hiring Procedure

For all positions at the authority, the human resources staff will include the Section 3 Individual Low-Income Person Self Certification form with the applications (virtually and paper) allowing each applicant to identify themselves accordingly. The completion of the form will remain voluntary and at the applicant's discretion.

Once all applications have been received and reviewed, the most desirous and qualified candidate will be progressed through the hiring process. The Section 3 status of the applicant will be considered only after the "Most Qualified" candidate has been determined. If there are multiple and equally qualified persons, the Section 3 status and category of the applicant will be considered. The candidate with the highest Section 3 priority based on the 24CFR Part 75.9(a)(2) will be offered the position. All advertisements for positions with the authority will carry this wording:

"This opportunity is covered under Section 3 of the HUD Act of 1968"

Tennessee Valley Housing Services Contractor Hiring Notice

For all advertised contracts let by the authority, the responsible staff will include the Section 3 Business Self Certification form and the Section 3 Individual Low-Income Self Certification form with the bid package (virtually and paper) allowing each respondent to identify themselves and their business accordingly. The completion of the forms will remain voluntary and at the respondent's discretion.

Once all responses have been received and reviewed, the most desirous and qualified business will be progressed through the contracting process. The Section 3 status of the respondent will be considered only after the "Most Qualified and Advantageous" respondent has been determined.

If there are multiple and equally qualified businesses, the Section 3 status and category of the business will be considered. The business with the highest Section 3 priority, based on the 24CFR Part 75.9 (b)(2) will be awarded the contract. All other applicable procurement laws will be adhered to relative to contracting amounts. All advertisements for contracts with the authority will carry this wording:

"This opportunity is covered under Section 3 of the HUD Act of 1968"

Tennessee Valley Housing Services Contracting Procedure

For all advertised and non-advertised contracts let by the authority, the responsible staff will include the Section 3 Business Self Certification form and the Section 3 Individual Low-Income Self Certification form (with no income limit area) with the solicitation/bid package (virtually and paper) allowing each respondent to identify themselves and their business accordingly. The completion of the forms will remain voluntary at the respondent's discretion.

Once all responses have been received and reviewed, the most desirous and qualified business will be progressed through the contracting process. The Section 3 status of the respondent will be considered only after the "Most Qualified and Advantageous" respondent has been determined. We encourage contractors to recruit, train, and hire as many **Tennessee Valley Housing Services** residents and voucher holders as possible. At minimum, contractors are required to provide an opportunity notice the Section 3 coordinator so some outreach can be executed for any created or available employment opportunities.

If there are multiple and equally qualified businesses, the Section 3 status and category of the business will be considered. The business with the highest Section 3 priority, based on the 24CFR Part 75.9 (b)(2) will be awarded the contract. All other applicable procurement laws will be adhered to relative to contracting amounts. All advertisements for contracts with the authority or its contractors, and sub-contractors will carry this wording:

"This opportunity is covered under Section 3 of the HUD Act of 1968"

Tennessee Valley Housing Services Internal Resident Training Procedure

For all resident training offered by **Tennessee Valley Housing Services** and its contractors, the staff will include the Section 3 Individual Low-Income Person Self Certification form with the training notice or upon the first day of training (virtually and paper) allowing each prospective trainee to identify themselves accordingly as public housing or Section 8. The completion of the form will NOT be voluntary as the prospective trainees will be allowed to attend based on their prioritization in the 24CFR Part 75.9(a)(2).

If the training is being paid for with HUD Public Housing financial assistance, the training will be limited to residents and potentially voucher holders only.

All advertisements for training will carry this wording:

"This opportunity is covered under Section 3 of the HUD Act of 1968"

Key Rule Components

§ 75.1 Purpose

This part establishes the requirements to be followed to ensure the objectives of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) are met. The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.

§ 75.3 Applicability

(a) General applicability. Section 3 applies to public housing financial assistance and Section 3 projects, as follows:

(1) Public housing financial assistance. Public housing financial assistance means:

(i) Development assistance provided pursuant to section 5 of the United States Housing Act of 1937 (the 1937 Act);

(ii) Operations and management assistance provided pursuant to section 9(e) of the 1937 Act;

(iv) The entirety of a mixed-finance development project as described in 24 CFR 905.604, regardless of whether the project is fully or partially assisted with public housing financial assistance as defined in paragraphs (a)(1)(i) through (iii) of this section.

(iii) The requirements in this part apply to an entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance.

(b) Contracts for materials. Section 3 requirements do not apply to material supply contracts.

(d) Other HUD assistance and other Federal assistance. Recipients that are not subject to Section 3 are encouraged to consider ways to support the purpose of Section 3.

§ 75.5 Core Definitions Only

The terms HUD, Public housing, Public Housing Agency (PHA), and are defined in 24 CFR part 5. The also apply to this part: 1937 Act means the United States Housing Act of 1937, 42 U.S.C. 1437 et seq. Contractor means any entity entering into a contract with:

(1) A recipient to perform work in connection with the expenditure of public housing financial assistance or for work in connection with a Section 3 project; or

(2) A subrecipient for work in connection with a Section 3 project.

Labor hours means the number of paid hours worked by persons on a Section 3 project or by persons employed with funds that include public housing financial assistance.

Low-income person means a person as defined in Section 3(b)(2) of the 1937 Act.

Material supply contracts means contracts for the purchase of products and materials, including, but not limited to, lumber, drywall, wiring, concrete, pipes, toilets, sinks, carpets, and office supplies.

Professional services means non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

Public housing financial assistance means assistance as defined in § 75.3(a)(1).

Public housing project is defined in 24 CFR 905.108.

Recipient means any entity that receives directly from HUD public housing financial assistance or housing and community development assistance that funds Section 3 projects, including, but not limited to, any State, local government, instrumentality, PHA, or other public agency, public or private nonprofit organization.

Section 3 means Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

Section 3 business concern means:

(1) A business concern meeting at least one of the following criteria, documented within the last six-month period:

- (i) It is at least 51 percent owned and controlled by low- or very low-income persons;
- (ii) Over 75 percent of the labor hours performed for the business over the prior three- month period are performed by Section 3 workers; or
- (iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

(2) The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.

[\(3\) Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.](#)

Section 3 worker means:

(1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:

- (i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
- (ii) The worker is employed by a Section 3 business concern.
- (iii) The worker is a YouthBuild participant.

(2) The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.

[\(3\) Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.](#)

Section 8-assisted housing refers to housing receiving project-based rental assistance or tenant-based assistance under Section 8 of the 1937 Act.

Subcontractor means any entity that has a contract with a contractor to undertake a portion of the contractor's obligation to perform work in connection with the expenditure of public housing financial assistance or for a Section 3 project.

Targeted Section 3 worker has the meanings provided in §§ 75.11, 75.21, or 75.29, and does not exclude an individual that has a prior arrest or conviction.

Very low-income person means the definition for this term set forth in section 3(b)(2) of the 1937 Act.

YouthBuild programs refers to YouthBuild programs receiving assistance under the Workforce Innovation and Opportunity Act (29 U.S.C. 3226).

§ 75.9 Requirements

(a) Employment and Training.

(1) Consistent with existing Federal, state, and local laws and regulations, PHAs or other recipients receiving public housing financial assistance, and their contractors and subcontractors, must make their best efforts to provide employment and training opportunities generated by the public housing financial assistance to Section 3 workers.

(2) PHAs or other recipients, and their contractors and subcontractors, must make their best efforts described in paragraph (a)(1) of this section in the following order of priority:

- (i) To residents of the public housing projects for which the public housing financial assistance is expended;
- (ii) To residents of other public housing projects managed by the PHA that is providing the assistance or for residents of Section 8-assisted housing managed by the PHA;
- (iii) To participants in YouthBuild programs; and
- (iv) To low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended.

(b) Contracting.

(1) Consistent with existing Federal, state, and local laws and regulations, PHAs and other recipients of public housing financial assistance, and their contractors and subcontractors, must make their best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers.

(2) PHAs and other recipients, and their contractors and subcontractors, must make their best efforts described in paragraph (b)(1) of this section in the following order of priority:

- (i) To Section 3 business concerns that provide economic opportunities for residents of the public housing projects for which the assistance is provided;
- (ii) To Section 3 business concerns that provide economic opportunities for residents of other public housing projects or Section-8 assisted housing managed by the PHA that is providing the assistance;
- (iii) To YouthBuild programs; and
- (iv) To Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the assistance is provided.

§ 75.11 Targeted Section 3 worker for Public Housing Financial Assistance

(a) Targeted Section 3 worker. A Targeted Section 3 worker for public housing financial assistance means a Section 3 worker who is:

(1) A worker employed by a Section 3 business concern; or

(2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:

(i) A resident of public housing or Section 8-assisted housing;

(ii) A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or

(iii) A YouthBuild participant.

§ 75.13 Section 3 Safe Harbor *(See Benchmarks on page 10)*

(a) General. Recipients will be considered to have complied with requirements in this part, in the absence of evidence to the contrary if they:

(2) Certify that they have followed the prioritization of effort in § 75.9; and

(3) (2) Meet or exceed the applicable Section 3 benchmark as described in paragraph (b) of this section.

§ 75.15 Reporting *(See Benchmarks on page 10)*

(a) Reporting of labor hours. (1) For public housing financial assistance, PHAs and other recipients must report in a manner prescribed by HUD:

(i) The total number of labor hours worked;

(ii) The total number of labor hours worked by Section 3 workers; and

(iii) The total number of labor hours worked by Targeted Section 3 workers.

(2) Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established pursuant to § 75.31.

(5) PHAs and other recipients may report on the labor hours of the PHA, the recipient, a contractor, or a subcontractor based on the employer's good faith assessment of the labor hours of a full-time or part-time employee informed by the employer's existing salary or time and attendance-based payroll systems, unless the project or activity is otherwise subject to requirements specifying time and attendance reporting.

(b) Additional reporting if Section 3 benchmarks are not met.

If the PHA's or other recipient's reporting under paragraph (a) of this section indicates that the PHA or other recipient has not met the Section 3 benchmarks described in § 75.13, the PHA or other recipient must report in a form prescribed by HUD on the qualitative nature of its Section 3 compliance activities and those of its contractors and subcontractors. Such *qualitative efforts may, for example*, include but are not limited to the following:

(1) Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers. Etc.

(2) of the (c) Reporting frequency. Unless otherwise provided, PHAs or other recipients must report annually to HUD under paragraph (a) of this section, and, where required, under paragraph (b) of this section, in a manner consistent with reporting requirements for the applicable HUD program.

§ 75.17 Contract Provisions

(a) PHAs or other recipients must include language in any agreement or contract to apply Section 3 to contractors.

(b) PHAs or other recipients must require contractors to include language in any contract or agreement to apply Section 3 to subcontractors.

(c) PHAs or other recipients must require all contractors and subcontractors to meet the requirements of § 75.9, regardless of whether Section 3 language is included in contracts.

§ 75.29 Multiple Funding Sources

(a) If a housing rehabilitation, housing construction or other public construction project is subject to Section 3 pursuant to § 75.3(a)(1) and (2), the recipient must follow subpart B of this part for the public housing financial assistance and may follow either subpart B or C of this part for the housing and community development financial assistance. For such a project, the following applies:

(2) The recipients of both sources of funding shall report on the housing rehabilitation, housing construction, or other public construction project as a whole and shall identify the multiple associated recipients. PHAs and other recipients must report the following information:

- (i) The Total number of labor hours worked on the project;
- (ii) The total number of labor hours worked by Section 3 workers on the project, and;
- (iii) The total number of labor hours worked by Targeted Section 3 workers on the project.

§ 75.31 Recordkeeping

(b) Recipients must maintain documentation, or ensure that a subrecipient, contractor, or subcontractor that employs the worker maintains documentation, to ensure that workers meet the definition of a Section 3 worker or Targeted Section 3 worker, at the time of hire or the first reporting period, as follows:

(1) For a worker to qualify as a Section 3 worker, one of the following must be maintained:

- (i) A worker's self-certification that their income is below the income limit from the prior calendar year;
- (ii) A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;

- (iii) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
- (iv) An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis; or
- (v) An employer's certification that the worker is employed by a Section 3 business concern.

(2) For a worker to qualify as a Targeted Section 3 worker, one of the following must be maintained:

(i) For a worker to qualify as a Targeted Section 3 worker under subpart B of this part:

- (A) A worker's self-certification of participation in public housing or Section 8-assisted housing programs;
- (B) Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
- (C) An employer's certification that the worker is employed by a Section 3 business concern; or
- (D) A worker's certification that the worker is a YouthBuild participant.

Benchmarks

For Public Housing Financial Assistance, the proposed benchmark notification set the benchmarks for the recipient's fiscal year. The proposed benchmark notification provided that recipients would meet the safe harbor in the new § 75.13 by certifying to the prioritization of effort in the new § 75.9 and meeting or exceeding Section 3 benchmarks for total number of labor hours worked by Section 3 workers and by Targeted Section 3 workers. The benchmark for Section 3 workers was set at 20 percent or more of the total number of labor hours worked by all workers paid with public housing financial assistance. The benchmark for Targeted Section 3 workers was set at 5 percent or more of the total number of labor hours worked by all workers paid with public housing financial assistance.

Simply stated, the recipient needs to meet these two benchmarks annually in order to achieve Safe Harbor.

Section 3 Workers Labor Hours = 20%
Total Labor Hours for the Recipient

Section 3 Targeted Workers Labor Hours = 5%
Total Labor Hours for the Recipient

Forms Package Follows on the Next Page

TENNESSEE VALLEY HOUSING SERVICES

SECTION 3 NEW RULE 24 CFR Part 75

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

Every contractor must ensure this package is included in their sub-contracts. Every sub-contractor must include this package in their lower-tiered sub-contracts.

This new rule exempts all material and supply only agreements. The rule applies to all service-related contracts/agreements despite the dollar amount or project duration, except CPA's, Attorneys, Engineers, and Architects.

There is an Order of Priority for employment that needs to be followed in the event there are multiple "equally" qualified persons for a job. Contracting is based on "Economic Opportunities" provided to Section 3 persons. Please ask if you desire to do any of these things.

Documents included in this package:

✱ New Requirements Summary	12
✱ Monthly Reporting Instructions	13
✱ Section 3 Business Self-Certification Forms	14
✱ Section 3 Individual Self-Certification Forms	15
✱ Hours Worked Reporting Form	16
✱ Acknowledgment and Affidavit Form	17

The Acknowledgement and Affidavit must be executed and returned by Every Contractor.

Tennessee Valley Housing Services Annual “Section 3 Benchmarks” Requirement Summary

- * Twenty (20) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in a HA’s fiscal year are Section 3 workers; and
- * Five (5) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in a HA’s fiscal year are Section 3 workers
- * There are No specific hiring or contracting goals under this new rule.
- * There is No Section 3 Business Preference under the new rule and No points awarded for being a Section 3 Business.
- * All person or business be fully qualified to perform the work.

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

- * Section 3 Worker - Any low or very low-income persons residing in the Metropolitan area
- * Targeted Section 3 Worker - Public Housing Resident, Voucher Holder, and YouthBuild participants

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

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

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

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

TENNESSEE VALLEY HOUSING SERVICES MONTHLY REPORTING INSTRUCTIONS

STEP ONE

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

STEP TWO

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

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

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

STEP THREE

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

Non-Targeted Workers are those low-income people who reside within the TVHS metro area

Targeted Workers are those low-income people who are currently active TVHS public housing , or Section 8 residents, and/or YouthBuild participants.

STEP FOUR

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

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

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

STEP FIVE

Submit the Section 3 Hours Worked Reporting on a monthly basis in the TVHS reporting system.

SECTION 3 BUSINESS

Voluntary Self-Certification Form

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

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

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

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

Full Name: _____

Company Name: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Signature: _____ Date: _____

SECTION 3 WORKER & TARGETED SECTION 3 WORKER

Voluntary Self-Certification Form

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

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

Print Name

Phone	Email
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Address

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

Check only one box below that describes your situation:

- I am a low or very low-income person residing in the TVHS Metropolitan Area below
- My employer will certify that I am employed by a Section 3 business
- I reside in a TVHS property
- I live in Section 8 housing administered by TVHS
- I am a current YouthBuild participant

My Individual Annual Income Does Not Exceed: \$38,550*

I hereby certify to the US Department of Housing and Urban Development (HUD) that all of the information on this form is true and correct. I attest under penalty of perjury that my total income does not exceed the one shown above, and that proof of this information may be requested. If found to be inaccurate, I understand that I may be disqualified as a certified Section 3 individual.

Signature: _____

Date: _____

Income Limits website: https://www.huduser.gov/portal/datasets/il/il2023/select_Geography.odn

SECTION 3

Required Hours Worked Reporting

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

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 tracking of hours worked by all person's employed on a [Tennessee Valley Housing Services](#) contract, including those meeting the Section 3 income requirements as low- or very low-income.

Section 3 Employees are now defined as:

Section 3 Workers - Any low or very low-income persons residing in the TVHS Metropolitan Area (MSA)

Targeted Section 3 Workers - I reside in public housing or Section 8 housing managed by TVHS or a current YouthBuild participants (If a program is active in the area)

If your company employs any person it believe is low income now or was when they were hired within the past five years, please have them complete the SECTION 3 INDIVIDUAL LOW-INCOME PERSON SELF-CERTIFICATION FORM" and return it with their first report of employment in the Hours Worked Reporting System.

All hours worked by everyone on the project must be reported monthly electronically or by email. If you have questions please contact the Section 3 Compliance Manager:

Motivation, Inc.

Name: Leah Rogers

Email: leah.rogers@motivation-inc.com

or

compliance@motivation-inc.com

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

Tennessee Valley Housing Services
Section 3 New Rule Contractor Acknowledgement
(Return this form with your final contract)

Company Name: _____

Contract or Project Name: _____

Trade Work/Classification: _____

I hereby certify to the US Department of Housing and Urban Development (HUD) that I have read all of the information in this policy package and agree to follow the requirements for complying with the order of prioritization in 75.9 and reporting of all labor hours associated with my contract as required. I further understand that failure to comply with these requirements will cause my payments to be held and not processed or not released until I come into full compliance with this policy.

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

- Total Hours Worked by all employees (Section 3 and regular employees)
- Total Hours Worked by All **Non-Targeted Section 3 employees** (Low-Income persons residing in the TVHS Metropolitan Area (MSA))
- Total Hours Worked by All **Targeted Section 3 employees** (Public Housing, Section 8, YouthBuild)

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

Signature: _____ Name: _____

Title: _____ Date: _____