

This informational packet provides details about how Section 3 applies to your project, what the goals are, how to make efforts at meeting the goals, and how to document your efforts.

Section 3 Goals

- Hiring: 25% of all labor hours are performed by Section 3 Workers and 5% of all labor hours performed by Section 3 Targeted Workers.

Who qualifies for Section 3?

Section 3 Worker meets one of the following criteria currently or when hired in the past five years:

- Gross income for the previous or annualized calendar year is below the income limit established by HUD. 2021 HUD Income Standard for Mpls-St. Paul-Bloomington are Very Low Income (50% AMI) is \$36,750 and Low Income (80% AMI) is \$55,950
- Employed by a Section 3 business concern
- YouthBuild participant

Section 3 Targeted Worker meets one of the following criteria currently or when hired in the past five years:

- Employed by a Section 3 business concern.
- YouthBuild participant.
- Resident in public housing, Section 8-assisted housing, and/or a resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance (applies only to Public Housing Assistance Projects).
- Live within the service area or the neighborhood of the project. Per 24 CFR § 75.5; Service area or the neighborhood of the project means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census (applies only to Housing and Community Development Assistance).

A business concern meets at least ONE the following criteria:

- At least 51% owned and controlled by a low- or very low-income person(s).**
- Over 75% of the labor hours performed for the business over the prior three-month period are performed by a Section 3 worker(s); or**
- A business at least 51% owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.**

Document your efforts

You need to document your efforts at achieving Section 3 goals. Use this packet to help you do that. Efforts include copies of bid solicitations, walk-throughs, and any outreach to solicit bids.

Important note on documenting your efforts: any contract you issue **must** include the Section 3 language on pages 9 – 12 of this packet.

If Section 3 applies to you, these are the basic documentation requirements

- Action Plan** – Estimate contracting, hiring, training activities (see pages 3 – 4). It’s ok if you’re not sure exactly how much you’re going to contract out or hire, but please give your best estimate.
- Core Workforce List** – List all trades people and office staff (page 6).
- Quarterly Reports** – update contracting, hiring, training activities (see pages 5).

Report due on...	Reporting for period...	Quarter #
April 15	January 1 – March 31	1
July 15	April 1 – June 30	2
October 15	July 1 – September 30	3
January 15	October 1 – December 31	4

HUD Section 3 Compliance Information for Developers and General Contractors

Hiring Contractors and Subcontractors

- Use the Section 3 business list:** Find Section 3 businesses at the [City of Saint Paul's website](#) or at the [Federal HUD Section 3 business registry](#).
- Include Section 3 Clause in all construction related contracts:** Include the language on pages 9 – 12 in
 - Bid solicitations AND
 - In any contracts (be sure to send copies of executed contracts to contractcompliance@minneapolismn.gov)
- ID Sheet:** List your subcontractors using the form on page 8.

Hiring New Employees

Union contractors, use the following forms:

- Send the Section 3 Union Letter** (page 14): Send copies to union and contractcompliance@minneapolismn.gov.
- Send the Worker Request Form** (page 15): use this form, or similar substitute, to request workers
- Notice Posting** (sample at page 13) – Post this document on job site in conspicuous area

Non-union contractors, use the following forms:

- Notice Posting** (sample at page 13) – Post this document on job site in conspicuous area

Question: Do I have to prove my new hire qualifies for Section 3?

You might. Section 3 applicants and workers can now self-certify that they qualify based on income to become certified. Employers can also certify that their new employee is a certified Section 3 worker.

HUD Section 3 Compliance Information for Developers and General Contractors

Complete pages 3 – 5 and send to contractcompliance@minneapolismn.gov along with all other documentation

Project Name: _____ Your Contract Amount _____

Your Company's Name: _____ Your Scope of Work: _____

Your Company's Section 3 Compliance Contact: _____
(Your Company's Section 3 compliance contact)

Address: _____ Telephone: _____

Email: _____

Section 3 Goals

- Labor Hours: 25% of all labor hours performed by Section 3 Workers or 5% of all labor hours performed by Section 3 Targeted Workers.

Hiring & Training Activity

A. How many labor hours do you anticipate as a result of this project? _____

B. How many labor hours will you fill with Section 3 Workers _____

C. How many labor hours will you fill with Section 3 Targeted Workers? _____

Hiring & Training Efforts (Required)

You need to make these efforts to comply with Section 3 hiring and training requirements.

- Send a list of your core workforce to contractcompliance@minneapolismn.gov

Question: What counts as my "core workforce"?

Your core workforce includes any employee on your payroll for 50 of the last 100 business days.

- Send your union representative or dispatcher's contact information (or whoever the person is who will provide labor to fill new hire positions) to contractcompliance@minneapolismn.gov
- Notify the local bargaining unit (Union Halls) of Section 3 hiring obligations (see pages 17 – 18)
- Submit the Worker Request Form to the Union and City (see page 17)
- Post weatherproof signage at the job site that is visible from the street and provides information on job opportunities, including the number and type of positions available, contact information, and application instructions
- Advertise job openings on Ramsey County Job Connect (www.jobconnectmn.com) and Construction Hiring Connection (www.chconstruction.net)
- Implement efforts to conduct aggressive outreach and notification of opportunities
- Document these efforts and send to contractcompliance@minneapolismn.gov

Although there is no longer a Section 3 business goal, where possible, be creative and make additional efforts to direct economic opportunities to Section 3 businesses and residents. Some possibilities include:

Optional Contracting Efforts

- Notify business assistance agencies, minority contractor associations, and community organizations of contracting opportunities and collaborate to identify Section 3 businesses to solicit bids or proposals
- Consider record of Section 3 compliance in determining responsibility of potential contractors
- Provide additional information to Section 3 businesses that have expressed interest in opportunities
- Carry out workshops on contracting procedures and opportunities in a timely manner so that Section 3 businesses can take advantage of opportunities
- Provide information on contracting procedures and opportunities in languages other than English
- Advise Section 3 businesses as to where to find assistance in obtaining bonding, lines of credit, financing, or insurance
- Notify HUD YouthBuild programs of contracting opportunities (contact contractcompliance@minneapolismn.gov for a list of YouthBuild organizations)
- Other (specify):

Optional Hiring/Training Efforts

- Conduct job interviews within the neighborhood or service area of the section 3 covered project
- Advertise the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising
- Maintain a file of qualified section 3 residents for future employment positions
- Other (specify):

By signing below, you are certifying that you have filled out this Action Plan accurately and in full and agree to meet your Section 3 obligations. You are required to provide documentation of the above listed efforts to the City of Minneapolis.

Send action plan & documentation of efforts to:

City of Minneapolis
Civil Rights – Contract Compliance Division
ATTN: Contract Compliance Officer
350 South 5th Street, Room 239
Minneapolis, MN 55415

Signature of Contractor Representative

Date

HUD Section 3 Compliance Information for Developers and General Contractors

This report will need to be submitted quarterly and due two weeks after the end of the quarter. (Quarter 1 is due April 15, quarter 2 is due July 15, quarter 3 is due October 15, and quarter 4 is due January 15.) (pages 5 – 7). This report will be filed with your other documentation of efforts to comply with Section 3 and ultimately be included as part of the City of Minneapolis’ reports that are submitted to HUD.

Business Name & Address		Contact Person	Reporting period Quarter ____	Today’s Date
		Telephone Number	Email	
		Project Name	Your start date	Your end date
		Your contract amount	\$	

Provide the requested information for all new hires made on this project. Rows 1 – 6 should be reported only for activity in this reporting period. Row 7 is the total for all job categories in the reporting period. Row 8 is the total for the entire project. Send the completed form to contractcompliance@minneapolismn.gov.

	Total # of Laborers	Total # of All Labor Hours	Total # of Section 3 Workers	Total # of Labor Hours for <u>Section 3 Workers</u>	Full-time or Part-time	Total # of Section 3 Targeted Workers	Total # of Labor Hours for Section 3 Targeted Workers	Full-time or Part-time
1								
2								
3								
4								
5								
6								
7								
8								

Certified on _____, 2021 (Month & date) By: _____

HUD Section 3 Compliance Information for Developers and General Contractors

Name of New Hire	Job Title	Sect. 3 Yes/No	Full-time or Part- time	Estimated Start Date	Estimated End Date	Office Use

HUD Section 3 Compliance Information for Developers and General Contractors

Please summarize your businesses efforts to direct employment and other economic opportunities, to the greatest extent feasible, to Section 3 applicants, workers and businesses.

Which of the following did you do?

- My business recruited low-income residents through local advertising media, and signs prominently displayed at the project site.
- My business partnered or coordinated events with community organizations or agencies in the area in which the project is located.
- My business worked with YouthBuild programs in the area where the Section 3 Project is located.

Please describe any additional efforts you made to engage Section 3 residents and businesses on the project.

**Sample Notice of HUD Section 3
Employment & Training Opportunities Notice**

City of Minneapolis residents may qualify for employment, training and/or contracting opportunities on the (project name)_____ federally-funded construction project. Low-income and very low-income residents will receive hiring preference.

Number of Jobs Available

Available job title(s):

Apprenticeship and training opportunities available

Interested City of Minneapolis residents should contact the designated person below to determine if they are eligible for currently available positions, possible future positions or other training opportunities.

Employment/Training Opportunities	
Contact	
Phone	
Address	
E-mail	
Fax	

This notice complies with the City of Minneapolis Section 3 Plan to provide notice of employment & training opportunities to eligible low-income residents.

City of Minneapolis
Sample HUD Section 3 Letter to Union

Union Contractors must send a similar notice to each union it has a collective bargaining agreement and copy the City of Minneapolis on each correspondence.

Date

Union Contact

Address

City, State, Zip

RE: Project Name & Site

Dear:

(Name of Contractor), is a subcontractor or contractor on the (Name of Project). This construction project is under the United States Department of Housing and Urban Development (HUD) Section 3 regulations for the City of Minneapolis.

The Section 3 regulation compliance requires that contractors to the greatest extent feasible hire low-income and very low-income residents of the City of Minneapolis and (enter the neighborhood location or zip codes) for the project. We are asking for your cooperation in using your best efforts to dispatch low-income and very low-income Section 3 workers from your union that reside in the City of Minneapolis and (enter the neighborhood location or zip codes). However, if there are no available workers in the project area please dispatch low-income and very low-income Section 3 workers from your union that reside outside the project area and the City of Minneapolis.

Please keep this correspondence for your records. When we request that workers are dispatched to a job, please make your best effort to assist our company and the City of Minneapolis meet the Section 3 local hiring requirements.

Sincerely,

(Person Name)

City of Minneapolis
Worker Request Form for union contractors

FOR UNION CONTRACTOR USE ONLY

Send this completed form to your union to request Section 3 workers. Send a copy of this form to the Minneapolis Department Civil Rights, Contract Compliance Division at contractcompliance@minneapolismn.gov. After sending your request, please call the Local to make sure they received the form. **Save your fax verification reports and keep copies for your records.**

Union

Complete the “Union Use Only” section (bottom of the page) and fax this form back to the requesting Contractor. **Retain a copy of this form for your records and e-mail a copy to the City of Minneapolis, Civil Rights Contract Compliance Division at contractcompliance@minneapolismn.gov.**

To: Local # _____ Fax# (_____) _____ Date _____
 cc: contractcompliance@minneapolismn.gov
 From: Company Name _____
 Name _____
 Contact Phone # (_____) _____ Fax (_____) _____
 Project Site Address _____

The City of Minneapolis requires that 25% of Section 3 Workers and 5% Targeted Section 3 Workers be considered for these positions. The order of providing preference for training and employment opportunities is as follows:

1st Priority	Section 3 eligible Union members, including apprentices, who reside in the following Neighborhood/ZipCodes: _____
2nd Priority	Section 3 eligible Union members that reside in the City of Minneapolis.
3rd Priority	Other Section 3 eligible Union members that reside outside the City.

Union Employees Requested by Contractor

Job Description	Classification Level Ex/Journey or Apprentice	Number Requested	Report Date	Report Time

Section 3 Program

SECTION 3 WORKER SELF-CERTIFICATION OR EMPLOYER SELF-CERTIFICATION OF SECTION 3 WORKER

Name: _____

Address: _____ City/Town: _____ State: _____ Zip: _____

County: _____ Phone: _____ Email: _____

Employer Business Name (if applicable) _____

An individual can self-certify even if they are currently NOT employed or can have their employer self-certify that they are a Section 3 worker.

Section 3 Worker Eligibility:

A Section 3 worker is any worker who currently fits, or when hired within the past five (5) years fit, at least one of the following categories (check only one).

- My income for the previous year (2020)¹ is below the income limit established by HUD. My annual gross income is _____ and I confirm that it does not exceed the income guidelines below:

<i>Please check only one: 2020 Income Guidelines</i>		
<input type="checkbox"/>	50% Median Income	\$36,200
<input type="checkbox"/>	80% Median Income	\$54,950

Section 3 Worker (please check one):

- Worker’s self-certification that their income is below the income limit from the prior calendar year; or
- Worker’s self-certification of participation in a means-tested program such as public housing or Section 8; or
- I am a YouthBuild participant; or
- Employer’s certification that the worker’s income from that employer is below the income limit; or
- Employer’s certification that the worker is employed by a Section 3 business concern

Section 3 Targeted Section 3 Worker (Public Housing Program) (please check one):

- I am employed by a Section 3 business concern (state employer) _____; or
- I am a YouthBuild participant; or
- I am a resident in public housing, Section 8-assisted housing, and/or a resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance (applies only to Public Housing Assistance Projects)

¹ [MSA 2020 Minneapolis-St. Paul-Bloomington Income Guidelines](#)

A Section 3 Targeted Worker for Housing and Community Development Financial Assistance (please check one) projects is a Section 3 worker who:

- Is employed by a Section 3 business concern (state employer) _____ ; or
- Currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - Living within the service area or the neighborhood of the project. "An area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census." as defined in 24 CFR § 75.5; or
 - A YouthBuild participant

Interests, Training, Skills, and Affiliations

Please check and list interests, skills you have in the following area(s):

- Construction (type (e.g. Carpentry, Painting, etc.): _____
- Administrative/Computer: _____
- Other (i.e. union): _____
 - Union affiliation/Local #: _____
 - Apprenticeship Program: _____
 - YouthBuild Program (i.e. Summit Academy OIC): _____

Certification

I² certify that the information provided on this application is true and accurate. I understand that providing false or misleading information may result in penalties, including decertification as a Section 3 Worker.

Section 3 Worker Signature³: _____ **Date:** _____

Employer on behalf of

Section 3 Worker: _____
Print Name **Signature** **Date**

Send completed application to:

- **Email:** contractcompliance@minneapolismn.gov or **Fax:** 612-673-2599
- **Mail to or drop off:** Minneapolis Department of Civil Rights, Attn: Section 3 Program, 350 South 5th Street, Suite 239, Minneapolis, Minnesota 55415

Please allow at least two weeks for processing. A certification or denial letter will be sent to you. Call 612-673-2142 with any questions or concerns.

Please read, sign and date the Tennessee Warning on Next Page

² This certification statement applies to both the Section 3 applicant and/or Employer certifying this application

³ Not required if employer is self-certifying this Section 3 Worker

Section 3 Program

TENNESSEN WARNING NOTICE CITY OF MINNEAPOLIS HUD SECTION 3 PROGRAM

Background

In accordance with the Minnesota Government Data Practices Act, the City of Minneapolis HUD Section 3 Program is required to inform you of your rights as they pertain to the information and data we collect from you. The information that the City of Minneapolis collects is classified by law as either public (anyone can see it, request it), private (the public is not given access, but you are), or confidential (even you cannot see the information).

As an applicant for Section 3 certification, the data we collect and maintain about you is defined as public according to Minnesota Statutes, Section 13.01, subdivision 3 - <https://www.revisor.mn.gov/statutes/?id=13.01>. The data we collect is limited but necessary for the administration and management of the Section 3 certification process.

Some persons or agencies with whom this information may be shared with include (in no particular order):

1. Section 3 Program employees.
2. Employers and union representatives seeking Section 3 employees and/or members.
3. Other agencies (e.g. Minneapolis Public Housing Authority, Summit Academy OIC)
4. Developers and/or Contractors seeking to recruit employees/labor who are certified as Section 3, or who are seeking to do business with companies certified as Section 3.
5. Any person who makes a proper data practices request of the City of Minneapolis.

Purpose and Intended Use

The information we request from you may be used for one or more of the following purposes:

- To determine your eligibility for Section 3 certification;
- To distinguish you from all other applicants and identify you in our files;
- To compile Equal Opportunity and Affirmative Action reports;
- To facilitate training, employment and contracting opportunities for approved Section 3 residents and businesses;
- Reporting and audits.

Requirements to Provide

You are not required to provide this information; however, without the information, the City of Minneapolis will not be able to determine if you qualify for certification⁴ in the Section 3 program.

Acknowledgement

My information will be stored for only 12 months. During those 12 months anytime I sign into my account and click either the "I agree to share Information" or "I do not agree to share information" it will extend the 12 month requirement and re-register my information into this data system from the date of sign in.

I understand if I do not sign into my account during a 12-month time frame, my account will be closed and my records will be deleted from this database. In order to use this service again, I will need to re-register my information.

I have read and understand the above information regarding my rights as a subject of government data.

Date

Signature

⁴If employee is certified with another government agency (i.e. City of St. Paul), please provide documentation of certification.