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5.17.2023

LEGAL NOTICE

_____ (name of sponsor/developer) anticipates a federally funded affordable housing project located in _____ (name of town), New Hampshire. Section 3 of the Housing and Urban Development Act of 1968 as amended, 12 U.S.C. 1701U, mandates that opportunity for employment and other economic opportunities generated by its housing and community development assistance programs be directed toward low and very low income persons, particularly those who are recipients of government assisted housing. The regulations are found at 24 CFR Part 75. _____ (name of sponsor/developer) will comply with Section 3 requirements referenced in this public notification. Project information and development timeline may be obtained from _____ (name of contact person) of _____ (name of sponsor/developer) at _____ (mailing address) or by telephone at _____ (telephone number).

New Hampshire Housing Finance Authority

=== NOTICE === TO ALL SUB-CONTRACTORS AND MATERIAL SUPPLYMEN

Pursuant to the requirements of RSA 447:12b
you are hereby notified that construction
financing for this job is being provided by:

New Hampshire Housing Finance Authority
C/O Shaun Malone
32 Constitution Drive
Bedford, NH 03110
603-310-9212



State of New Hampshire Department of Labor

Criteria to Establish an Employee or Independent Contractor

"Employee" means and includes every person who may be permitted, required, or directed by any employer, in consideration of direct or indirect gain or profit, to engage in any employment, but shall not include any person exempted from the definition of employee as stated in RSA 281-A:2, VI(b)(2), (3), or (4), or RSA 281-A:2, VII(b), or a person providing services as part of a residential placement for individuals with developmental, acquired, or emotional disabilities, or any person who meets all of the following criteria:

- (a) The person possesses or has applied for a federal employer identification number or social security number, or in the alternative, has agreed in writing to carry out the responsibilities imposed on employers under this chapter.
- (b) The person has control and discretion over the means and manner of performance of the work, in that the result of the work, rather than the means or manner by which the work is performed, is the primary element bargained for by the employer.
- (c) The person has control over the time when the work is performed, and the time of performance is not dictated by the employer. However, this shall not prohibit the employer from reaching an agreement with the person as to completion schedule, range of work hours, and maximum number of work hours to be provided by the person, and in the case of entertainment, the time such entertainment is to be presented.
- (d) The person hires and pays the person's assistants, if any, and to the extent such assistants are employees, supervises the details of the assistants' work.
- (e) The person holds himself or herself out to be in business for himself or herself.
- (f) The person has continuing or recurring business liabilities or obligations.
- (g) The success or failure of the person's business depends on the relationship of business receipts to expenditures.
- (h) The person receives compensation for work or services performed and remuneration is not determined unilaterally by the hiring party.
- (i) The person is responsible in the first instance for the main expenses related to the service or work performed. However, this shall not prohibit the employer or person offering work from providing the supplies or materials necessary to perform the work.
- (j) The person is responsible for satisfactory completion of work and may be held contractually responsible for failure to complete the work.
- (k) The person supplies the principal tools and instrumentalities used in the work, except that the employer may furnish tools or instrumentalities that are unique to the employer's special requirements or are located on the employer's premises.
- (l) The person is not required to work exclusively for the employer.

Inspection Division
PO Box 2076
Concord NH 03302-2076
(603) 271-1492 & 271-3176

David Wihby
Deputy Labor Commissioner

George Copadis
Labor Commissioner

THIS NOTICE MUST BE POSTED IN A CONSPICUOUS PLACE

EMPLOYEE RIGHTS UNDER THE DAVIS-BACON ACT

FOR LABORERS AND MECHANICS EMPLOYED ON FEDERAL OR FEDERALLY ASSISTED CONSTRUCTION PROJECTS

THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

PREVAILING WAGES

You must be paid not less than the wage rate listed in the Davis-Bacon Wage Decision posted with this Notice for the work you perform.

OVERTIME

You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 in a work week. There are few exceptions.

ENFORCEMENT

Contract payments can be withheld to ensure workers receive wages and overtime pay due, and liquidated damages may apply if overtime pay requirements are not met. Davis-Bacon contract clauses allow contract termination and debarment of contractors from future federal contracts for up to three years. A contractor who falsifies certified payroll records or induces wage kickbacks may be subject to civil or criminal prosecution, fines and/or imprisonment.

APPRENTICES

Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

PROPER PAY

If you do not receive proper pay, or require further information on the applicable wages, contact the Contracting Officer listed below:

NEW HAMPSHIRE HOUSING
Shaun Malone 603-310-9212
HUD
Cedric White 617-994-8217

or contact the U.S. Department of Labor's Wage and Hour Division.



For additional information:

1-866-4-USWAGE

(1-866-487-9243) TTY: 1-877-889-5627



WWW.WAGEHOUR.DOL.GOV

TITLE XXIII LABOR

CHAPTER 277 SAFETY AND HEALTH OF EMPLOYEES

Building Construction and Repair Work

Section 277:5-a

277:5-a Occupational Safety and Health Administration Certification. –

I. Any person signing a contract to work on a construction, reconstruction, alteration, remodeling, installation, demolition, maintenance, or repair of any public work or building by a state agency, municipality, or instrumentality thereof, and with a total project cost of \$100,000 or more, shall have an Occupational Safety and Health Administration (OSHA) 10-hour construction safety program for their on-site employees. All employees are required to complete the program prior to beginning work. The training program shall utilize an OSHA-approved curriculum. Graduates shall receive a card from OSHA certifying the successful completion of the training program. This section shall apply to the construction, reconstruction, alteration, remodeling, installation, demolition, maintenance, or repair of any public work or building paid for in whole or in part with state funds.

II. Any employee required to complete the OSHA 10-hour construction safety program under this section who has not completed the program shall be subject to removal from the worksite if the employee does not provide documentation of having completed such program by the fifteenth day after the date the employee is found to be in noncompliance. Proof of such documentation provided by the employer shall constitute compliance with this section. The labor commissioner or commissioner's designee shall enforce this section.

III. The labor commissioner shall adopt rules under RSA 541-A relative to implementation and enforcement of this section. The commissioner may also assess a civil penalty of up to \$2,500; in addition, such an employer shall be assessed a civil penalty of \$100 per employee for each day of noncompliance. All funds collected under this section shall be deposited into the general fund. The labor commissioner shall appoint as many individuals as necessary to carry out the department's responsibilities under this section.

IV. The following individuals are exempt from the requirements of the OSHA 10-hour construction safety program:

- (a) Law enforcement officers involved with traffic control or jobsite security.
- (b) Flagging personnel who have completed the training required by the department of transportation.
- (c) All relevant federal, state, and municipal government employees and inspectors.
- (d) All individuals who are not considered to be on the site of work under the federal Davis-Bacon Act, including, but not limited to, construction and non-construction delivery personnel and non-trade personnel.

Source. 2007, 326:1, eff. Sept. 14, 2007. 2012, 144:3, eff. Jan. 1, 2013.

NEW HAMPSHIRE STATUE

TITLE XLI LIENS

CHAPTER 447 LIENS FOR LABOR AND MATERIALS

Section 447:12-b

447:12-b Additional Responsibilities; Construction Mortgages. –

I. Within 10 business days of the execution of a construction mortgage, including any refinancing thereof, the mortgagor or his agent shall post in a conspicuous place on the jobsite for which the construction funds were secured, the name, address and telephone number of the institution providing the construction funds.

II. Any person entitled to a lien pursuant to RSA 447:2-7 shall, within 15 business days of the posting required in paragraph I or of commencing to furnish services, materials, supplies or other things, whichever is later, provide written notice to the institution providing the construction funds that such person is furnishing services, materials, supplies or other things. The written notice provided under this paragraph shall include the name and address of the jobsite. Failure to provide the notice required by this paragraph shall not alone invalidate the lien created by RSA 447:2-7.

~~III. At least 48 hours prior to requesting any construction mortgage requisition, the mortgagor or his agent shall post in a conspicuous place on the jobsite for which the construction funds were secured, the anticipated funding date for said requisition. The mortgagee shall require a copy of said notice, which shall be certified as to its posting by the mortgagor or his agent prior to disbursing any funds.~~

IV. In the event that a written contract between the mortgagor or his agent and any person furnishing services, materials, supplies or other things shall provide that the disbursement of construction funds, a portion of which is intended to pay such person, shall be by a 2-party check, the mortgagor or his agent shall transmit a copy of such agreement to the mortgagee. Upon receipt of a copy of such written agreement, the mortgagee shall subsequently disburse funds intended in part to pay any such person only by a check made payable to the mortgagor or his agent and such person. Unless otherwise agreed by the mortgagor and mortgagee, disbursements shall be made only for actual work completed and materials consumed on the jobsite for which the construction funds were secured.

Source. 1991, 270:3, eff. Jan. 1, 1992.

NEW HAMPSHIRE'S MECHANICS' LIEN LAW SUMMARY

NH Law provides that anyone who provides either materials, labor, or supplies has a right under certain circumstances to place a lien on the property that they provided material, labor or supplies. This excerpt summarizes portions of RSA 447; however any questions should be referred to your attorney.

1. CREATION OF LIEN - RSA 447:2

If any person shall perform labor or furnish materials for erecting or repairing a house or other building, under contract, he shall have a lien on any material so furnished and on said structure, and on any right of the owner to the lot of land on which it stands.

2. SUBCONTRACTORS – RSA 447:5

If a person shall by himself or others perform labor or furnish materials for the erecting or repairing a house or other building, under contract with an agent, contractor or subcontractor of the owner, he shall have the same lien, provided, that he gives notice in writing to the owner or to the person having charge of the property that he shall claim such lien before performing the labor or furnishing the material for which it is claimed.

3. DURATION OF LIEN - RSA 447:9

The duration of the lien created by RSA 447:2-7, inclusive, will continue for 120 days after the services are performed, or the materials, supplies or other things are furnished, unless payment therefor is previously made, and shall take precedence of all prior claims except liens on account of taxes.

4. ATTACHMENT PRIORITY - RSA 447:12-a

A mechanics' lien secured by an attachment takes priority over a construction mortgage unless:

- The construction mortgagee (lender) shows that the proceeds of the loan were disbursed toward payment of invoices from or claims due subcontractors and suppliers of materials or labor for the work on the project; or
- The mortgagee receives an affidavit from the mortgagor (borrower) or his agent, that the work for which such disbursement is to be made has been completed and that the subcontractors and suppliers of materials or labor have been paid for their share of such work, or will be paid out of such disbursement.
- A mortgagee must not knowingly accept a fraudulent affidavit.
- A mortgagee must encourage and promote the provisions of the law.

5. ADDITIONAL RESPONSIBILITIES: CONSTRUCTION MORTGAGES -RSA 447:12-b,I

- The mortgagor or agent must post the name, address, and telephone number of the institution providing the construction funds within 10 business days of the execution of a construction mortgage, including any refinancing.
- The name, address and telephone number of the institution providing construction funds must be posted in a conspicuous place on the job site for which the construction funds were secured.

6. NOTICE TO LENDER - RSA 447:12-b, II

- General contractors, subcontractors, suppliers and others entitled to a lien under RSA 447 must provide written notice to the institution providing the construction funds that such person is furnishing services, materials, supplies or other things.
- The “written notice to lender” must be provided within 15 business days of the construction lender’s identification posting (paragraph 4 above) or of commencing to furnish services, materials, supplies or other things, whichever is later.
- The written notice must include the name and address of the job site.
- Failure to provide this notice will not alone invalidate a lien.

7. ~~POSTING OF ANTICIPATED FUNDING DATE - RSA 447:12-b, III~~

- ~~• At least 48 hours prior to requesting any construction mortgage disbursement (requisition), the mortgagor or his agent must post the anticipated funding date for said disbursement (requisition).~~
- ~~• The anticipated funding date must be posted in a conspicuous place on the job site for which the construction funds were secured.~~
- ~~• The lender must require a copy of the notice which must be “certified” as to its posting by the mortgagor or his agent prior to disbursing any funds.~~

8. TWO-PARTY CHECKS: DISBURSEMENT FOR COMPLETED WORK - RSA 447:12-b, IV

- If there is a written contract between the mortgagor or his agent and any person furnishing services, materials, supplies or other things, which provides that the disbursement of construction funds must be by a two-party check, the mortgagor or his agent, must give a copy of such agreement to the mortgagee.
- Upon receipt of the agreement, the mortgagee shall subsequently disburse funds intended in part to pay such person, only by a check made payable to the mortgagor or his agent and such person.
- Unless otherwise agreed by the mortgagor and mortgagee, the disbursements must be made only for actual work completed and materials consumed on the job site for which the construction funds were secured.

MECHANICS LIEN LAW SUMMARY 2007

Summary provided to NC HBRA courtesy of Allan Clark REI Services

This document does not constitute legal advice, and is not a substitute for consulting an attorney for your legal needs.

**NEW HAMPSHIRE HOUSING FINANCE AUTHORITY
THRESHOLD REQUIREMENTS TO COMPLY WITH SECTION 3**

**EFFECTIVE FOR PROJECTS RECEIVING COMMITMENTS
ON OR AFTER NOVEMBER 30, 2020
VERSION: 11/18/2021**

SUMMARY OF SECTION 3

The rule 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.

The objective is to secure the participation of low-income persons and Section 3 business concerns in activities that arise in connection with the assisted project. Section 3 applies where \$200,000.00 or more of applicable HUD program funds are awarded to a project, which includes construction or rehabilitation activity. Section 3 requirements apply to the entire project, not just the HUD-financed portion. If a housing rehabilitation, housing construction, or other public construction project receives more than \$200,000 of HUD funding, then Section 3 requirements are triggered and apply to all employment and training opportunities and contracts for work arising in connection with the project including efforts that are financed by other, non-HUD sources of funds. Grantees must make all recipients, contractors, and subcontractors aware of the need to comply with Section 3 requirements. Section 3 regulations also encourage the provision of other economic opportunities to low-income persons and businesses. Examples of other economic opportunities include: trainee positions, management and, part-time positions, efforts to establish or expand Section 3 business concerns. The Section 3 requirements also apply when a project receives less than \$200,000 in HUD housing and community development financial assistance but receives public housing financial assistance, as defined in 24 CFR 75.3(a)(1), or more than \$100,000 of Lead Hazard Control and Healthy Homes program funding, Section 3 also applies to other federal housing and community development programs, recipients of public or Indian housing programs and community development assistance.

New Hampshire Housing Finance Authority will need to demonstrate how and whether Section 3 goals are met. Therefore documentation of Section 3 Worker, Targeted Section 3 Worker and Section 3 Business Concern participation is required.

Outreach, Employment and Section 3 Residents

The objective is to secure jobs for low-income persons that are generated by Section 3 covered project. Section 3 Workers must be encouraged to apply for all project-related, full-time positions including: construction related, technical services, administrative, coordination, maintenance, management and other positions. Jobs must be given to Section 3 Workers to the greatest extent feasible. Compliance with Section 3 is achieved if

1. Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project must be done by Section 3 workers and
2. Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project must be done by Targeted Section 3 workers

Section 3 Workers are defined as following:

1. Is a low- or very low-income worker that fell below HUD income limits for the previous or annualized calendar year. Low- and very-low-household income limits may be obtained from: <http://www.huduser.org/portal/datasets/il.html>
2. Is employed by a Section 3 business concern.
3. Is a YouthBuild participant. YouthBuild is a community-based pre-apprenticeship program administered by the U.S. Department of Labor that provides job training and educational opportunities for at-risk youth ages 16-24 who have previously dropped out of high school.

Targeted Section 3 Workers are defined as following:

1. A worker employed by a Section 3 business concern (defined below), 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:
 - a. Living within the service area or the neighborhood of the project (within one mile).
 - b. A YouthBuild participant.

An individual seeking preference for training and employment under Section 3 shall certify or submit evidence to the recipient, contractor or subcontractor (as requested) that the person is a Section 3 resident.

Contracting with Section 3 Business Concerns

The statute creates a contracting priority for businesses that provide economic opportunities for low- and very low-income workers. To implement this priority, the regulation includes labor hours worked by Section 3 business concern employees to count towards benchmarks for Section 3 workers and Targeted Section 3 workers.

A Section 3 business concern: A Section 3 business concern is defined in 24 CFR 75.5 as a business that meets at least one of the following criteria, documented within the last six-month period:

1. At least 51 percent owned and controlled by low- or very low-income persons,
2. More than 75 percent of the labor hours performed for the business over the previous 3-month period are performed by Section 3 workers, or
3. At least 51 percent owned and controlled by current residents of public housing or Section 8-assisted housing.

Highest preference must be provided to Section 3 business concerns in the jurisdiction of the project. Second tier concerns are applicants selected to carry out HUD Youthbuild programs. Third tier includes all other Section 3 business concerns.

There is no registration process to establish qualification; rather the business concern shall certify that it meets the regulatory definition to the qualifying HUD funds recipient or contractor. Business concerns shall also submit evidence to the recipient, contractor or subcontractor as requested to demonstrate that the business is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract.

SUMMARY OF SECTION 3 GOALS

Employment of Section 3 Workers and Business Concerns by Recipients of HUD Funds:

1. Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project must be done by Section 3 workers and
2. Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project must be done by Targeted Section 3 workers

Contraction with Section 3 Business Concerns:

Section 3 business concerns are not exempt from meeting contract specifications nor do the regulations require the contracting or subcontracting of a Section 3 business concern.

HUD's Section 3 Business Registry is a searchable on-line database of firms that have self-certified that they meet one of the regulatory definitions of a Section 3 business concern. Agencies that receive HUD funds, developers, contractors, and others can use this registry to facilitate the award of certain HUD-funded contracts. While the Department maintains the Business Registry database, it has not verified the information submitted by the businesses and does not endorse the services they provide. Accordingly, grantees must verify that each business meets the definition of a Section 3 business concern before awarding contracts to any firm that has self-certified on this registry.

Section 3 clause.

All section 3 contracts shall include the following clause (referred to as the Section 3 Clause):

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 or reside within 1 mile of the project.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 75, which implements 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 24 CFR part 75 regulations.

C. 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.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 75, 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 75. 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 75.

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 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 75.

F. Noncompliance with HUD's regulations in 24 CFR part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with Section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and section 7(b) agree to comply with Section 3 to the greatest extent feasible, but not in derogation of compliance with section 7(b).

Title 24

PART 75 - ECONOMIC OPPORTUNITIES FOR LOW- AND VERY LOW-INCOME PERSONS

Authority: 12 U.S.C. 1701u; 42 U.S.C. 3535(d).

Source: 85 FR 61562, Sept. 29, 2020, unless otherwise noted.

Subpart A - General Provisions

§ 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;
 - (iii) Development, modernization, and management assistance provided pursuant to section 9(d) of the 1937 Act; and
 - (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.
 - (2) **Section 3 projects.**
 - (i) Section 3 projects means housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000. The threshold is \$100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs, as authorized by Sections 501 or 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 or 1701z-2), the Lead-Based Paint Poisoning Prevention Act (42 U.S.C 4801 *et seq.*); and

the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 *et seq.*). The project is the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.

- (ii) The Secretary must update the thresholds provided in paragraph (a)(2)(i) of this section not less than once every 5 years based on a national construction cost inflation factor through **FEDERAL REGISTER** notice not subject to public comment. When the Secretary finds it is warranted to ensure compliance with Section 3, the Secretary may adjust, regardless of the national construction cost factor, such thresholds through **FEDERAL REGISTER** notice, subject to public comment.
 - (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.
 - (c) **Indian and Tribal preferences.** Contracts, subcontracts, grants, or subgrants subject to Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5307(b)) or subject to tribal preference requirements as authorized under 101(k) of the Native American Housing Assistance and Self-Determination Act (25 U.S.C. 4111(k)) must provide preferences in employment, training, and business opportunities to Indians and Indian organizations, and are therefore not subject to the requirements of this part.
 - (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 Definitions.

The terms *HUD*, *Public housing*, and *Public Housing Agency (PHA)* are defined in 24 CFR part 5. The following definitions 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 project means a project defined in § 75.3(a)(2).

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.

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.

Small PHA means a public housing authority that manages or operates fewer than 250 public housing units.

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.

Subrecipient has the meaning provided in the applicable program regulations or in 2 CFR 200.93.

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).

§ 75.7 Requirements applicable to HUD NOFAs for Section 3 covered programs.

All notices of funding availability (NOFAs) issued by HUD that announce the availability of funding covered by § 75.3 will include notice that this part is applicable to the funding and may include, as appropriate for the specific NOFA, points or bonus points for the quality of Section 3 plans.

Subpart B - Additional Provisions for Public Housing Financial Assistance

§ 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.
- (b) [Reserved]

§ 75.13 Section 3 safe harbor.

- (a) **General.** PHAs and other recipients will be considered to have complied with requirements in this part, in the absence of evidence to the contrary, if they:
 - (1) Certify that they have followed the prioritization of effort in § 75.9; and
 - (2) Meet or exceed the applicable Section 3 benchmarks as described in paragraph (b) of this section.
- (b) **Establishing benchmarks.**
 - (1) HUD will establish Section 3 benchmarks for Section 3 workers or Targeted Section 3 workers or both through a document published in the **FEDERAL REGISTER**. HUD may establish a single nationwide benchmark for Section 3 workers and a single nationwide benchmark for Targeted Section 3 workers, or may establish multiple benchmarks based on geography, the type of public housing financial assistance, or other variables. HUD will update the benchmarks through a document published in the **FEDERAL REGISTER**, subject to public comment, not less frequently than once every 3 years. Such notice shall include aggregate data on labor hours and the proportion of PHAs and other recipients meeting benchmarks, as well as other metrics reported pursuant to § 75.15 as deemed appropriate by HUD, for the 3 most recent reporting years.

- (2) In establishing the Section 3 benchmarks, HUD may consider the industry averages for labor hours worked by specific categories of workers or in different localities or regions; averages for labor hours worked by Section 3 workers and Targeted Section 3 workers as reported by recipients pursuant to this section; and any other factors HUD deems important. In establishing the Section 3 benchmarks, HUD will exclude professional services from the total number of labor hours as such hours are excluded from the total number of labor hours to be reported per § 75.15(a)(4).
- (3) Section 3 benchmarks will consist of the following two ratios:
 - (i) The number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers funded by public housing financial assistance in the PHA's or other recipient's fiscal year.
 - (ii) The number of labor hours worked by Targeted Section 3 workers, as defined in § 75.11(a), divided by the total number of labor hours worked by all workers funded by public housing financial assistance in the PHA's or other recipient's fiscal year.

§ 75.15 Reporting.

(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.
- (3) The labor hours reported under paragraph (a)(1) of this section must include the total number of labor hours worked with public housing financial assistance in the fiscal year of the PHA or other recipient, including labor hours worked by any contractors and subcontractors that the PHA or other recipient is required, or elects pursuant to paragraph (a)(4) of this section, to report.
- (4) PHAs and other recipients reporting under this section, as well as contractors and subcontractors who report to PHAs and recipients, may report labor hours by Section 3 workers, under paragraph (a)(1)(ii) of this section, and labor hours by Targeted Section 3 workers, under paragraph (a)(1)(iii) of this section, from professional services without including labor hours from professional services in the total number of labor hours worked under paragraph (a)(1)(i) of this section. If a contract covers both professional services and other work and the PHA, other recipient, contractor, or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.
- (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.
 - (2) Provided training or apprenticeship opportunities.
 - (3) Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
 - (4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
 - (5) Held one or more job fairs.
 - (6) Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
 - (7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
 - (8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.
 - (9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
 - (10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
 - (11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
 - (12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
 - (13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
 - (14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.
- (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.
- (d) **Reporting by Small PHAs.** Small PHAs may elect not to report under paragraph (a) of this section. Small PHAs that make such election are required to report on their qualitative efforts, as described in 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.

Subpart C - Additional Provisions for Housing and Community Development Financial Assistance

§ 75.19 Requirements.

- (a) ***Employment and training.***
 - (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area (or nonmetropolitan county) in which the project is located.
 - (2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to:
 - (i) Section 3 workers residing within the service area or the neighborhood of the project, and
 - (ii) Participants in YouthBuild programs.
- (b) ***Contracting.***
 - (1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, recipients covered by this subpart shall ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or nonmetropolitan county) in which the project is located.
 - (2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:
 - (i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and
 - (ii) YouthBuild programs.

§ 75.21 Targeted Section 3 worker for housing and community development financial assistance.

- (a) ***Targeted Section 3 worker.*** A Targeted Section 3 worker for housing and community development 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) Living within the service area or the neighborhood of the project, as defined in § 75.5; or
 - (ii) A YouthBuild participant.
- (b) [Reserved]

§ 75.23 Section 3 safe harbor.

- (a) **General.** Recipients will be considered to have complied with requirements in this part, in the absence of evidence to the contrary if they:
 - (1) Certify that they have followed the prioritization of effort in § 75.19; and
 - (2) Meet or exceed the applicable Section 3 benchmark as described in paragraph (b) of this section.
- (b) **Establishing benchmarks.**
 - (1) HUD will establish Section 3 benchmarks for Section 3 workers or Targeted Section 3 workers or both through a document published in the **FEDERAL REGISTER**. HUD may establish a single nationwide benchmark for Section 3 workers and a single nationwide benchmark for Targeted Section 3 workers, or may establish multiple benchmarks based on geography, the nature of the Section 3 project, or other variables. HUD will update the benchmarks through a document published in the **FEDERAL REGISTER**, subject to public comment, not less frequently than once every 3 years. Such notice shall include aggregate data on labor hours and the proportion of recipients meeting benchmarks, as well as other metrics reported pursuant to § 75.25 as deemed appropriate by HUD, for the 3 most recent reporting years.
 - (2) In establishing the Section 3 benchmarks, HUD may consider the industry averages for labor hours worked by specific categories of workers or in different localities or regions; averages for labor hours worked by Section 3 workers and Targeted Section 3 workers as reported by recipients pursuant to this section; and any other factors HUD deems important. In establishing the Section 3 benchmarks, HUD will exclude professional services from the total number of labor hours as such hours are excluded from the total number of labor hours to be reported per § 75.25(a)(4).
 - (3) Section 3 benchmarks will consist of the following two ratios:
 - (i) The number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.
 - (ii) The number of labor hours worked by Targeted Section 3 workers as defined in § 75.21(a), divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.

§ 75.25 Reporting.

- (a) **Reporting of labor hours.**
 - (1) For Section 3 projects, 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.
 - (3) The labor hours reported under paragraph (a)(1) of this section must include the total number of labor hours worked on a Section 3 project, including labor hours worked by any subrecipients, contractors and subcontractors that the recipient is required, or elects pursuant

to paragraph (a)(4) of this section, to report.

- (4) Recipients reporting under this section, as well as subrecipients, contractors and subcontractors who report to recipients, may report labor hours by Section 3 workers, under paragraph (a)(1)(ii) of this section, and labor hours by Targeted Section 3 workers, under paragraph (a)(1)(iii) of this section, from professional services without including labor hours from professional services in the total number of labor hours worked under paragraph (a)(1)(i) of this section. If a contract covers both professional services and other work and the recipient or contractor or subcontractor chooses not to report labor hours from professional services, the labor hours under the contract that are not from professional services must still be reported.
 - (5) Recipients may report their own labor hours or that of a subrecipient, contractor, or 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 recipient's reporting under paragraph (a) of this section indicates that the recipient has not met the Section 3 benchmarks described in § 75.23, the recipient must report in a form prescribed by HUD on the qualitative nature of its activities and those its contractors and subcontractors pursued. 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.
 - (2) Provided training or apprenticeship opportunities.
 - (3) Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
 - (4) Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.
 - (5) Held one or more job fairs.
 - (6) Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
 - (7) Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
 - (8) Assisted Section 3 workers to obtain financial literacy training and/or coaching.
 - (9) Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
 - (10) Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
 - (11) Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
 - (12) Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
 - (13) Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
 - (14) Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.

- (c) **Reporting frequency.** Unless otherwise provided, recipients must report annually to HUD under paragraph (a) of this section, and, where required, under paragraph (b) of this section, on all projects completed within the reporting year in a manner consistent with reporting requirements for the applicable HUD program.

§ 75.27 Contract provisions.

- (a) Recipients must include language applying Section 3 requirements in any subrecipient agreement or contract for a Section 3 project.
- (b) Recipients of Section 3 funding must require subrecipients, contractors, and subcontractors to meet the requirements of § 75.19, regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

Subpart D - Provisions for Multiple Funding Sources, Recordkeeping, and Compliance

§ 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:
 - (1) For housing and community development financial assistance, a Targeted Section 3 worker is any worker who meets the definition of a Targeted Section 3 worker in either subpart B or C of this part; and
 - (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.
- (b) If a housing rehabilitation, housing construction, or other public construction project is subject to Section 3 because the project is assisted with funding from multiple sources of housing and community development assistance that exceed the thresholds in § 75.3(a)(2), the recipient or recipients must follow subpart C of this part, and must report to the applicable HUD program office, as prescribed by HUD.

§ 75.31 Recordkeeping.

- (a) HUD shall have access to all records, reports, and other documents or items of the recipient that are maintained to demonstrate compliance with the requirements of this part, or that are maintained in accordance with the regulations governing the specific HUD program by which the Section 3 project is governed, or the public housing financial assistance is provided or otherwise made available to the recipient, subrecipient, contractor, or subcontractor.
- (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.
 - (ii) For a worker to qualify as a Targeted Section 3 worker under subpart C of this part:
 - (A) An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;
 - (B) An employer's certification that the worker is employed by a Section 3 business concern; or
 - (C) A worker's self-certification that the worker is a YouthBuild participant.
- (c) The documentation described in paragraph (b) of this section must be maintained for the time period required for record retentions in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR part 200.
- (d) A PHA or recipient may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.

§ 75.33 Compliance.

- (a) **Records of compliance.** Each recipient shall maintain adequate records demonstrating compliance with this part, consistent with other recordkeeping requirements in 2 CFR part 200.
- (b) **Complaints.** Complaints alleging failure of compliance with this part may be reported to the HUD program office responsible for the public housing financial assistance or the Section 3 project, or to the local HUD field office.
- (c) **Monitoring.** HUD will monitor compliance with the requirements of this part. The applicable HUD program office will determine appropriate methods by which to oversee Section 3 compliance. HUD may impose appropriate remedies and sanctions in accordance with the laws and regulations for the program under which the violation was found.

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
REPORT OF ADDITIONAL CLASSIFICATION AND RATE**

HUD FORM 4230A

OMB Approval Number 2501-0011
(Exp. 01/31/2010)

1. FROM (name and address of requesting agency)

2. PROJECT NAME AND NUMBER

3. LOCATION OF PROJECT (City, County and State)

4. BRIEF DESCRIPTION OF PROJECT

5. CHARACTER OF CONSTRUCTION

- ☐ Building ☐ Residential
☐ Heavy ☐ Other (specify)
☐ Highway

6. WAGE DECISION NO. (include modification number, if any)

7. WAGE DECISION EFFECTIVE DATE

☐ COPY ATTACHED

8. WORK CLASSIFICATION(S)

HOURLY WAGE RATES

BASIC WAGE

FRINGE BENEFIT(S) (if any)

9. PRIME CONTRACTOR (name, address)

10. SUBCONTRACTOR/EMPLOYER, IF APPLICABLE (name, address)

Check All That Apply:

- ☐ The work to be performed by the additional classification(s) is not performed by a classification in the applicable wage decision.
- ☐ The proposed classification is utilized in the area by the construction industry.
- ☐ The proposed wage rate(s), including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage decision.
- ☐ The interested parties, including the employees or their authorized representatives, agree on the classification(s) and wage rate(s).
- ☐ Supporting documentation attached, including applicable wage decision.

Check One:

- ☐ Approved, meets all criteria. DOL confirmation requested.
- ☐ One or more classifications fail to meet all criteria as explained in agency referral. DOL decision requested.

Agency Representative
(Typed name and signature)

Date

Phone Number

FOR HUD USE ONLY
LR2000:

Log in:

Log out:

Report of Additional Classification and Wage Rate	U.S. Department of Housing and Urban Development Office of Labor Relations	OMB Approval No. 2501-0011 (Exp. 01/31/2010)
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Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining data needed, and completing and reviewing the collection of information. The information is considered non-sensitive and does not require special protection. This information is required to obtain benefits. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Employers engaged on HUD-assisted construction projects subject to Davis-Bacon wage requirements must pay no less than the wages determined to be prevailing by the Secretary of Labor to all laborers and mechanics engaged on the construction work. On occasion, the applicable Davis-Bacon wage decision does not contain all of the work classifications and wage rates needed to complete the construction work. This information collection facilitates the addition of needed work classifications and wage rates for the construction work involved. This form is used by HUD and local agencies administering HUD programs to report employer request(s) for additional classification and wage rates so that an appropriate wage rate can be approved by the Department of Labor for the construction work. This information collection is required by Department of Labor regulations at 29 CFR 5.5. While no assurances of confidentiality are pledged to respondents, HUD generally discloses these data only in response to a Freedom of Information request.

Instructions

General:

Contractors/Employers: Do not need to complete this form. Submit a written, signed request to the responsible contracting agency naming the work classifications and the wage rates, including any fringe benefits, that are proposed.

Local Agency Staff: Complete items 2 through 10. Submit one copy of this form to the responsible HUD Labor Relations Office with a copy of the applicable Davis-Bacon wage decision and the written request from the employer naming the work classifications and wage rates that are proposed. (The employer's request must be made in writing and must be signed.)

1. For HUD or State CDBG Office use. Enter the name and address of HUD Office (or State CDBG office) submitting the report and to which the DOL reply should be sent.
2. Enter the name and number of the project or contract involved.
3. Enter the location of the project involved: city, county and state.
4. Describe the construction involved, e.g., new construction or rehabilitation, number and type of buildings, number of stories, number of units (as applicable). For example, New construction: 3 – 4-story buildings; 120 units.
5. Enter the character of construction as defined by DOL for Davis-Bacon prevailing wage rate purposes.
6. Enter the number of the Davis-Bacon wage decision applicable to the construction work. Include the number of wage decision modifications (if any) applicable to the work.
7. Enter the effective date of the wage decision for the project. (See DOL regulations at 29 CFR 1.6.)
8. Enter the work classifications and corresponding hourly basic wage rates and fringe benefit rates (if any) requested.
9. Self-explanatory.
10. If the requesting employer is not the prime contractor, enter the name and address of the subcontractor/employer making the request.

Remainder of Form: HUD Labor Relations/State CDBG use.

HUD Labor Relations/State CDBG Staff: Evaluate the employer's request against the criteria for approval (see DOL Regulations, 29 CFR Part 5, and related contract labor standards provisions). The criteria are reflected in "checklist" form to ensure that each factor is considered and to ensure that supporting documentation, including a copy of the applicable wage decision, is attached. Check the box next to each criterion that is met; do not check the box next to any criterion that is not met.

If the request meets all criteria, check the appropriate box, enter the name and telephone number of the HUD/State CDBG agency representative, and sign and date the form. Submit one copy of the completed form to the DOL with a copy of the applicable Davis-Bacon wage decision and the written request from the employer involved.

If the request fails to pass all criteria, check the appropriate box, enter agency contact information, and sign and date the form. Submit one copy of the completed form to the DOL with a copy of the applicable Davis-Bacon wage decision, the written request from the employer involved, *and* a cover letter explaining how the employer's request failed to meet one or more of the criteria.

Submission of Report

Completed forms shall be sent to: Branch of Construction Wage Determinations, U.S. Department of Labor, 200 Constitution Avenue, NW, Room S-3014, Washington, DC 20210.

EXHIBIT F: REQUISITION INSPECTION CERTIFICATION

I have reviewed requisition number ____ for the project known as ____ (Project name) located in
(town/city), NH and certify the following:

- Initial next to each item, or, enter “N/A” if not applicable to this requisition.
- Items identified at the preconstruction meeting as being non-applicable for the duration of the project can be marked “NAP”
- All tasks marked “Yes” must be included as backup in the construction requisition packet in the order listed on this certification.

Item	Backup Required	Inspector's Initials	Task
1.	No		The totals on AIA G703 match the totals on AIA G702, and the math on the AIA G702 is correct.
2.	No		The requisitioned funds match work in place.
3.	Signature		The architect has approved all work in place (AIA G702/G703).
4.	Signature		The civil engineer has approved all site work (over \$40,000) in place.
5.	Yes		If C.M. – a cost transaction report tying to the gross requisition total is included along with major material invoices (over \$5,000) and copies of all subcontract invoices.
6.	Yes		<p>Off Site material:</p> <ul style="list-style-type: none"> • An itemized bill of sale and transfer of title has been provided to the owner, and the itemized bill matches the amount on the requisition. • A right of entry including the address, storage facilities owner's name, and storage owner's contact information is included. • Captioned photos of the stored material are included. • Proof of insurance for the owner and lending parties. • Stored Material Matrix
7.	Yes		The GC/CM Affidavit has been executed and is up to date.
8.	Yes		The GC/CM Schedule A ties to the Current Payment Due on AIA G702 (line 8).
9.	Yes		All change orders have appropriate backup and have been approved.
10.	Yes		HUD form 2516 for Section 3 projects has been updated.
11.	Yes		Certified payrolls have been reviewed for compliance.
12.	Yes*		The US Department of Labor, Employee Rights notice is posted on site (for prevailing wage jobs only).
13.	Yes*		The Identification of Construction Lender is posted on site.
14.	Yes*		The NH Dept. of Labor Independent Contractor notice is posted on site.
15.	Yes		Reduction of retainage and final payment will require surety consent.
16.	Yes		Updated construction schedule.

Inspector Signature

Company

Date _____

*Provide photos of the on-site posting with the first requisition. To be posted for the duration of the project.

Stored Material Summary

ON-SITE (more than 30 days)

Vendor/Description	Req. #	C	D	E	F = C-(D+E)	
		Invoice \$ (Schedule of Values)	Previously Certified	Work in Place This Period	Stored	
		\$ -	\$ -	\$ -	\$ -	-
		\$ -	\$ -	\$ -	\$ -	-
		\$ -	\$ -	\$ -	\$ -	-
		\$ -	\$ -	\$ -	\$ -	-
		\$ -	\$ -	\$ -	\$ -	-

OFF-SITE

Vendor/Description	Req. #	C	D	E	F = C-(D+E)		Insurance Expiration
		Invoice \$ (Schedule of Values)	Previously Certified	Work in Place This Period	Stored	\$ Insured	
		\$ -	\$ -	\$ -	\$ -	\$ -	-
		\$ -	\$ -	\$ -	\$ -	\$ -	-
		\$ -	\$ -	\$ -	\$ -	\$ -	-
		\$ -	\$ -	\$ -	\$ -	\$ -	-
		\$ -	\$ -	\$ -	\$ -	\$ -	-
		\$ -	\$ -	\$ -	\$ -	\$ -	-
		\$ -	\$ -	\$ -	\$ -	\$ -	-

MECHANICS LIEN AFFIDAVIT OF GENERAL CONTRACTOR¹
AS AGENT FOR MORTGAGOR PURSUANT TO RSA 447:12-a & b

For the benefit of: New Hampshire Housing Finance Authority ("Mortgagee")

General Contractor or CM: _____

Requisition Date: _____

Project Name: _____

Project Address: _____

Project Owner: _____ ("Mortgagor")

The undersigned being duly sworn, on oath, hereby deposes and states as follows:

1. I [NAME], am the duly authorized [CORPORATE TITLE]
of [NAME OF GENERAL CONTRACTOR] and agent for the Project Owner.

2. Schedule A, attached hereto and made a part hereof, contains an itemization of all parties who have a contract with the General Contractor to provide labor for or materials (\$5,000 and up) to the Project since the prior requisition, or if no prior requisition then since the Project start date.

3. Based upon my (i) personal knowledge and inspection of the status and progress of work on the Project and (ii) upon the payment of prior requisitions, if any, for the Project, the General Contractor hereby certifies:

- a. That all labor provided and materials supplied to the Project identified in that certain requisition of or near even date and accompanying this Affidavit have, as of the date hereof, been truly performed upon or supplied to the Project; and
- b. That upon payment of this requisition to the undersigned, the parties listed on the attached exhibit will be promptly paid for work performed and material supplied to the Project. Upon Payment to the suppliers and materialmen listed on the attached exhibit, all materials supplied and labor performed on the project will have been paid in full as of end of the period identified on the requisition.

4. General Contractor agrees to defend, indemnify and hold harmless the New Hampshire Housing Finance Authority from and against any and all liability arising in any way out of the falsity of any statement made herein.

Further the affiant sayeth not.

By: _____

Name: _____

¹ Where used herein, the term General Contractor shall be interchangeable with the term Construction Manager ("CM").

Title: _____

STATE OF NEW HAMPSHIRE
COUNTY OF _____

Then appeared, on this the ____ day of _____, 20____, _____
who acknowledged himself/herself to the duly authorized _____ of _____
_____ and took oath that the foregoing statements are true to the
best of his/her knowledge and belief.

[Seal]

Notary Public / Justice of the Peace

[Exhibit A and Notice of Requisition Follow]

Schedule A to Contractor's Affidavit

Project: _____

Requisition # _____

[illegible]

Item Totals	Amount	Notes
Total Amount Owed (cell E37)	\$ -	Populates from cell above
Add: General Conditions (from G703)		Must match G703
Add: Overhead/Profit (from G703)		Must match G703
Add: G703 Materials Not Listed Above		Purchases must be under \$5K/materialman
Add: G703 Sub Payments Not Listed Above		Payments must be under \$5K/sub
Add: Other Item (from G703)		Describe item here (labor, equip, etc)
Total of column E & F on G703	<u>\$ -</u>	Total payment before retainage
Retainage Reduction		Enter value if retainage is reduced on this req
Retainage 5%	<u>\$ -</u>	Enter retainage % listed on the G702
Total of Line 8 on the G702	<u>\$ -</u>	Net payment to CM/GC



Section 3 Business Concern Certification for Contracting

INSTRUCTIONS: Enter the following information and select the criteria that applies to certify your Section 3 Business Concern Status.

Contract Amount: _____

Project Name: _____

Project Address: _____

BUSINESS INFORMATION

Name of Business: _____

Address of Business: _____

Name of Business Owner: _____

Phone Number of Business Owner: _____

Email of Business Owner: _____

SECTION 3 CONTACT INFORMATION

☐ Same as above

Name: _____

Phone Number and/or Email: _____

TYPE OF BUSINESS

1. ☐ Corporation ☐ Partnership ☐ Sole Proprietorship ☐ Joint Venture

2. Woman Owned Business: ☐ Yes ☐ No

3. Contractor or subcontractor Business Racial/Ethnic Data

☐ White American ☐ Black American ☐ Native American ☐ Hispanic American

☐ Hispanic American ☐ Hasidic Jew ☐ Asian Specific American

Please select from ONE (1) of the following FOUR (4) options below that applies:

☐ a. N/A

☐ b. At least 51% of the business is owned and controlled by low-income (80% AMI) or very low-income (50% AMI) persons. (See pg. 3 for instructions)

☐ c. At least 51% of the business is owned and controlled by current public housing residents or residents who currently live in Section 8 Assisted Housing.

☐ d. Over 75% of labor hours performed for the business over the prior three-month period are performed by Section 3 workers. (See pg. 3 for definition)



BUSINESS CONCERN AFFIRMATION

I affirm that the statements on page one (1) of this document are true, complete, and correct to the best of my knowledge and belief. I understand that businesses who misrepresent themselves as Section 3 Business Concerns and report false information to New Hampshire Housing Finance Authority may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Print Name: _____

Signature: _____ Date: _____

Certification expires within six (6) months of the date of signature

FOR NEW HAMPSHIRE HOUSING FINANCE AUTHORITY USE ONLY

Is the business a Section 3 Business Concern based upon their certification?

☐ YES ☐ NO

**EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE
FOR FIVE (5) YEARS.**



ELIGIBILITY GUIDELINES

INSTRUCTIONS:

1. Please refer to **page 4** to find which HUD Area you reside.
Write or select your selection in the "**FY 2023 HUD Fair Market Rent Area/HMFA**" space.
2. Please refer to **page 5** to determine what the income limit categories are for your area.
Write or select your selections in the "**FY 2023 Income Limit**" spaces for both 50% and 80%.
3. Please note if you are filling this form out on a computer, the HUD FMR and HMFA areas have a code number to help find the coinciding income limit (i.e., 10. Cheshire Co., NH FMR Area, 80%: 10. \$56,000, 50%: 10. \$35,000)
4. If your individual gross annual income based on where you reside is below the limits, please select the appropriate **option b at the bottom of page 1**.
5. If you live outside of NH, please see the HUD Income Limits Tool Instructions.

INDIVIDUAL GROSS ANNUAL INCOME LIMITS

FY 2023 Fair Mark Rent Area/Hud Metro FMR Area	Income Limit Category	FY 2023 Income Limit
	80%	
	50%	

Section 3 Worker Definition:

- Currently meets or when hired met at least **ONE** of the following categories as documented within the past FIVE (5) years:
 - A low-income (80% AMI) or very low-income (50% AMI) resident. Income for the previous or annualized calendar year is at or below the Area Median Income (AMI) Limit established and revised by HUD on 5/15/2023 **OR**
 - Employed by a Section 3 Business Concern **OR**
 - A YouthBuild participant

Targeted Section 3 Worker Definition (For Housing & Community Development):

- Employed by a Section 3 Business Concern **OR**
- Currently meets or when hired met at least **ONE** of the following categories as documented within the past five (5) years:
 - Living within one (1) mile of the project **OR**
 - A YouthBuild participant

HUD AREAS IN NEW HAMPSHIRE

AREA	TOWN/CITY
Boston-Cambridge, MA-NH HMFA	Seabrook, South Hampton
Hillsborough County, NH (part) HMFA	Antrim, Bennington, Deering, Francestown, Greenfield, Hancock, Hillsborough, Lyndeborough, New Boston, Peterborough, Sharon, Temple, Windsor
Lawrence, MA-NH HMFA	Atkinson, Chester, Danville, Derry, Fremont, Hampstead, Kingston, Newton, Plaistow, Raymond, Salem, Sandown, Windham
Manchester, NH HMFA	Bedford, Goffstown, Manchester, Weare
Nashua, NH HMFA	Amherst, Brookline, Greenville, Hollis, Hudson, Litchfield, Mason, Merrimack, Milford, Mont Vernon, Nashua, New Ipswich, Pelham, Wilton
Portsmouth-Rochester, NH HMFA <i>(Strafford County)</i> {	Brentwood, East Kingston, Epping, Exeter, Greenland, Hampton, Hampton Falls, Kensington, New Castle, Newfields, Newington, Newmarket, North Hampton, Portsmouth, Rye, Stratham, Barrington, Dover, Durham, Farmington, Lee, Madbury, Middleton, Milton, New Durham, Rochester, Rollinsford, Somersworth, Strafford
Western Rockingham Co., NH HMFA	Auburn, Candia, Deerfield, Londonderry, Northwood, Nottingham
Belknap County	Alton, Barnstead, Belmont, Center Harbor, Gilford, Gilmanton, Laconia, Meredith, New Hampton,
Carroll County	Albany, Bartlett, Brookfield, Chatham, Conway, Eaton, Effingham, Freedom, Hale's Location, Hart's Location, Jackson, Madison, Moultonborough, Ossipee, Sandwich, Tamworth, Tuftonboro, Wakefield, Wolfeboro
Cheshire County	Alstead, Chesterfield, Dublin, Fitzwilliam, Gilsum, Harrisville, Hinsdale, Jaffrey, Keene, Marlborough, Marlow, Nelson, Richmond, Rindge, Roxbury, Stoddard, Sullivan, Surry, Swanzey, Troy, Walpole, Westmoreland, Winchester
Coos County	Atkinson and Gilmanton Grant, Bean's Grant, Bean's Purchase, Berlin, Cambridge, Carroll, Chandler's Purchase, Clarksville, Colebrook, Columbia, Crawford's Purchase, Cutt's Grant, Dalton, Dix's Grant, Dixville, Dummer, Errol, Erving's Location, Gorham, Greens Grant, Hadley's Purchase, Jefferson, Kilkenney Township, Lancaster, Low and Burbank's Grant, Martin's Location, Milan, Millsfield, Northumberland, Odell Township, Pinkham's Grant, Pittsburg, Randolph, Sargent's Purchase, Second College Grant, Shelburne, Stark, Stewartstown, Stratford, Success Township, Thompson and Meserves Purchase, Wentworth's Location, Whitefield
Grafton County	Alexandria, Ashland, Bath, Benton, Bethlehem, Bridgewater, Bristol, Campton, Canaan, Dorchester, Easton, Ellsworth, Enfield, Franconia, Grafton, Groton, Hanover, Haverhill, Hebron, Holderness, Landaff, Lebanon, Lincoln, Lisbon, Littleton, Livermore, Lyman, Lyme, Monroe, Orange, Orford, Piermont, Plymouth, Rumney, Sugar Hill, Thornton, Warren, Waterville, Wentworth, Woodstock
Merrimack County	Allenstown, Andover, Boscawen, Bow, Bradford, Canterbury, Chichester, Concord, Danbury, Dunbarton, Epsom, Franklin, Henniker, Hill, Hooksett, Hopkinton, Loudon, New London, Newbury, Northfield, Pembroke, Pittsfield, Salisbury, Sutton, Warner, Webster, Wilmot
Sullivan County	Acworth, Charlestown, Claremont, Cornish, Croydon, Goshen, Grantham, Langdon, Lempster, Newport, Plainfield, Springfield, Sunapee, Unity, Washington

INCOME GUIDELINES

HUD HMFA/Co. Area	AMI	Individual Gross Annual Income
Boston-Cambridge-Quincy, MA-NH HMFA	80%	82,950
	50%	51,950
Lawrence, MA-NH HMFA	80%	66,300
	50%	42,700
Western Rockingham Co., NH HMFA	80%	66,300
	50%	46,850
Portsmouth-Rochester, NH HMFA	80%	66,300
	50%	43,150
Manchester, NH HMFA	80%	59,250
	50%	37,050
Nashua, NH HMFA	80%	66,300
	50%	45,400
Hillsborough Co., NH (part) HMFA	80%	64,900
	50%	40,600
Belknap Co., NH FMR Area	80%	56,400
	50%	35,250
Carroll Co., NH FMR Area	80%	56,000
	50%	35,000
Cheshire Co., NH FMR Area	80%	56,000
	50%	35,000
Coos Co., NH FMR Area	80%	56,000
	50%	35,000
Grafton Co., NH FMR Area	80%	56,000
	50%	35,000
Merrimack Co., NH FMR Area	80%	62,100
	50%	38,800
Sullivan Co., NH FMR Area	80%	56,000
	50%	35,000

HUD Rev. 5.15.2023

Key & Definitions:

HUD: Department of Housing and Urban Development
FMR: Fair Market Rent
HMFA: HUD Metro FMR Area
AMI: Area Median Income Limit



Section 3 Worker & Targeted Section 3 Worker Self-Certification

Project Name: _____

Project Address: _____

The purpose of HUD's Section 3 Program is to provide employment, training, and contracting opportunities to low-income individuals, particularly who are recipients of government assistance for housing or other public assistance programs. **Your response is voluntary, confidential, and has no effect on your employment.**

Eligibility for Section 3 Worker or Target Section 3 Worker Status

A Section 3 worker seeking certification shall self-certify and submit this form to the recipient contractor or subcontractor to verify that the person is a Section 3 Worker or Target Section 3 Worker as defined on page 3 of this document (HUD 24 CFR 75).

INSTRUCTIONS: Enter/select the appropriate information to confirm you Section 3 Worker or Target Section 3 Worker status.

Employee Name: _____

Company: _____

1. Are you a resident of public housing or a Housing Choice Voucher Holder (Section 8). ☐ YES ☐ NO
2. In the past five years (5) years, were you in YouthBuild? ☐ YES ☐ NO
3. Please write your **individual gross annual income:** _____



EMPLOYEE AFFIRMATION

I affirm that the statements on page 1 of this document are true, complete, and correct to the best of my knowledge and belief. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Employee Address: _____

Print Name: _____ Date Hired: _____

Signature: _____ Date: _____



----- END OF EMPLOYEE SECTION -----

FOR EMPLOYER USE ONLY

Is the employee a Section 3 Worker based upon their self-certification?
(See pg. 3 for definition and instructions to determine eligibility) ☐ YES ☐ NO

Is the employee a Targeted Section 3 Worker based upon their self-certification?
(See pg. 3 for definition and instructions to determine eligibility) ☐ YES ☐ NO

Was this an applicant who was hired as a result of the Section 3 Project? ☐ YES ☐ NO

If **YES**, what is the name of the company? _____

If **YES**, what was the date of hire? _____

**EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3
COMPLIANCE FILE FOR FIVE (5) YEARS.**



ELIGIBILITY GUIDELINES

INSTRUCTIONS:

1. Please refer to **page 4** to find which HUD Area the employee resides.
Write or select in the "**FY 2023 HUD Fair Market Rent Area/HMFA**" space.
2. Please refer to **page 5** to determine what the income limit categories are for the employee's area.
Write or select in the "**FY 2023 Income Limit**" spaces for both 50% and 80%.
3. Please note: If you are filling this form out on a computer, the HUD FMR and HMFA areas have a code number to help find the coinciding income limit (i.e., 10. Cheshire Co., NH FMR Area, 80%: 10. \$56,000, 50%: 10. \$35,000)
4. If the employee individual gross annual income based on where they reside is below the limits, the employee is a Section 3 Worker.
5. If the employee lives outside of NH, please see the HUD Income Limits Tool Instructions.

INDIVIDUAL GROSS ANNUAL INCOME LIMITS

FY 2023 Fair Mark Rent Area/Hud Metro FMR Area	Income Limit Category	FY 2023 Income Limit
	50%	
	80%	

Section 3 Worker Definition:

- Currently meets or when hired met at least **ONE** of the following categories as documented within the past FIVE (5) years:
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 - Employed by a Section 3 Business Concern **OR**
 - A YouthBuild participant

Targeted Section 3 Worker Definition (For Housing & Community Development):

- Employed by a Section 3 Business Concern **OR**
- Currently meets or when hired met at least **ONE** of the following categories as documented within the past five (5) years:
 - Living within one (1) mile of the project **OR**
 - A YouthBuild participant



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Lawrence, MA-NH HMFA	Atkinson, Chester, Danville, Derry, Fremont, Hampstead, Kingston, Newton, Plaistow, Raymond, Salem, Sandown, Windham
Manchester, NH HMFA	Bedford, Goffstown, Manchester, Weare
Nashua, NH HMFA	Amherst, Brookline, Greenville, Hollis, Hudson, Litchfield, Mason, Merrimack, Milford, Mont Vernon, Nashua, New Ipswich, Pelham, Wilton
Portsmouth-Rochester, NH HMFA (Strafford County) {	Brentwood, East Kingston, Epping, Exeter, Greenland, Hampton, Hampton Falls, Kensington, New Castle, Newfields, Newington, Newmarket, North Hampton, Portsmouth, Rye, Stratham, Barrington, Dover, Durham, Farmington, Lee, Madbury, Middleton, Milton, New Durham, Rochester, Rollinsford, Somersworth, Strafford
Western Rockingham Co., NH HMFA	Auburn, Candia, Deerfield, Londonderry, Northwood, Nottingham
Belknap County	Alton, Barnstead, Belmont, Center Harbor, Gilford, Gilmanton, Laconia, Meredith, New Hampton,
Carroll County	Albany, Bartlett, Brookfield, Chatham, Conway, Eaton, Effingham, Freedom, Hale's Location, Hart's Location, Jackson, Madison, Moultonborough, Ossipee, Sandwich, Tamworth, Tuftonboro, Wakefield, Wolfeboro
Cheshire County	Alstead, Chesterfield, Dublin, Fitzwilliam, Gilsum, Harrisville, Hinsdale, Jaffrey, Keene, Marlborough, Marlow, Nelson, Richmond, Rindge, Roxbury, Stoddard, Sullivan, Surry, Swanzey, Troy, Walpole, Westmoreland, Winchester
Coos County	Atkinson and Gilmanton Grant, Bean's Grant, Bean's Purchase, Berlin, Cambridge, Carroll, Chandler's Purchase, Clarksville, Colebrook, Columbia, Crawford's Purchase, Cutt's Grant, Dalton, Dix's Grant, Dixville, Dummer, Errol, Erving's Location, Gorham, Greens Grant, Hadley's Purchase, Jefferson, Kilkenney Township, Lancaster, Low and Burbank's Grant, Martin's Location, Milan, Millsfield, Northumberland, Odell Township, Pinkham's Grant, Pittsburg, Randolph, Sargent's Purchase, Second College Grant, Shelburne, Stark, Stewartstown, Stratford, Success Township, Thompson and Meserves Purchase, Wentworth's Location, Whitefield
Grafton County	Alexandria, Ashland, Bath, Benton, Bethlehem, Bridgewater, Bristol, Campton, Canaan, Dorchester, Easton, Ellsworth, Enfield, Franconia, Grafton, Groton, Hanover, Haverhill, Hebron, Holderness, Landaff, Lebanon, Lincoln, Lisbon, Littleton, Livermore, Lyman, Lyme, Monroe, Orange, Orford, Piermont, Plymouth, Rumney, Sugar Hill, Thornton, Warren, Waterville, Wentworth, Woodstock
Merrimack County	Allenstown, Andover, Boscawen, Bow, Bradford, Canterbury, Chichester, Concord, Danbury, Dunbarton, Epsom, Franklin, Henniker, Hill, Hooksett, Hopkinton, Loudon, New London, Newbury, Northfield, Pembroke, Pittsfield, Salisbury, Sutton, Warner, Webster, Wilmot
Sullivan County	Acworth, Charlestown, Claremont, Cornish, Croydon, Goshen, Grantham, Langdon, Lempster, Newport, Plainfield, Springfield, Sunapee, Unity, Washington

INCOME GUIDELINES

HUD HMFA/Co. Area	AMI	Individual Gross Annual Income
Boston-Cambridge-Quincy, MA-NH HMFA	80%	82,950
	50%	51,950
Lawrence, MA-NH HMFA	80%	66,300
	50%	42,700
Western Rockingham Co., NH HMFA	80%	66,300
	50%	46,850
Portsmouth-Rochester, NH HMFA	80%	66,300
	50%	43,150
Manchester, NH HMFA	80%	59,250
	50%	37,050
Nashua, NH HMFA	80%	66,300
	50%	45,400
Hillsborough Co., NH (part) HMFA	80%	64,900
	50%	40,600
Belknap Co., NH FMR Area	80%	56,400
	50%	35,250
Carroll Co., NH FMR Area	80%	56,000
	50%	35,000
Cheshire Co., NH FMR Area	80%	56,000
	50%	35,000
Coos Co., NH FMR Area	80%	56,000
	50%	35,000
Grafton Co., NH FMR Area	80%	56,000
	50%	35,000
Merrimack Co., NH FMR Area	80%	62,100
	50%	38,800
Sullivan Co., NH FMR Area	80%	56,000
	50%	35,000

HUD Rev. 5.15.2023

Key & Definitions:

HUD: Department of Housing and Urban Development
FMR: Fair Market Rent
HMFA: HUD Metro FMR Area
AMI: Area Median Income Limit



Section 3 Worker Definition:

- A low-income (80% AMI) or very low-income (50% AMI) resident. Income for the previous or annualized calendar year is at or below the Area Median Income (AMI) Limit established and revised by HUD on 5/15/2023 **OR**
 - *Employed by a Section 3 Business Concern **OR**
 - *A YouthBuild participant

- *Employed by a Section 3 Business Concern **OR**

- Living within on (1) mile of the project **OR**
- *A YouthBuild participant

Req #	Date Range	Total Labor Hours	Section 3 Worker Hours	Targeted Section 3 Worker Hours
TOTAL:				

AFFIRMATION

I affirm that the information reported in this document is true, complete, and correct to the best of my knowledge and belief. Businesses who report false information to New Hampshire Housing Finance Authority may have their contracts terminated as default and be barred from ongoing and future considerations for contracting opportunities. I hereby certify, under penalty of law, that the following information is correct to the best of my knowledge.

Print Name

Signature

Date

HUD INCOME LIMITS TOOL INSTRUCTIONS FOR EMPLOYEES THAT LIVE OUTSIDE OF NH

1. Visit this website: <https://www.huduser.gov/portal/datasets/il.html>

The most recent income limit data year should be selected at the top right. (Please keep in mind that HUD adjusts income limits annually on a fiscal year basis. Updates will be made around spring and are effective immediately).

2. Select “Click here for FY 2023 IL Documentation”

The screenshot shows the top of the HUD Income Limits Tool website. At the top right, there is a row of buttons for selecting the fiscal year: 2023, 2022, 2021, 2020, 2019, and Earlier Years. The 2023 button is highlighted with a red box. Below this row are four tabs: Query Tool, Documents, Data, and FAQs. Under the Documents tab, there is a link that says "Click Here for FY 2023 IL Documentation", which is also highlighted with a red box. Below the tabs, there is a section titled "Access Individual Income Limits Areas" and a paragraph of text explaining the system's purpose.

3. Select the state

The screenshot shows the "First select a state:" dropdown menu. The menu is open, showing a list of states and the District of Columbia. The list includes: Alabama - AL, Alaska - AK, American Samoa - AS, Arizona - AZ, Arkansas - AR, California - CA, Colorado - CO, Connecticut - CT, Delaware - DE, and District of Columbia - DC. Below the dropdown, there is a section titled "Or select a FY 2021 HUD Metropolitan Fair Market Rent/Income Limits Area (HMFA):" with a dropdown menu showing "Abilene, TX MSA". Below this is a button labeled "View HMFA Calculations".

4. Once selected, the counties will pop up to the right.

The screenshot shows the "First select a state:" dropdown menu and the "Then select a county:" dropdown menu. The "First select a state:" dropdown is open, showing a list of states: Idaho - ID, Illinois - IL, Indiana - IN, Iowa - IA, Kansas - KS, Kentucky - KY, Louisiana - LA, Maine - ME, Maryland - MD, and Massachusetts - MA. The "Then select a county:" dropdown is also open, showing a list of counties: Abington town (Plymouth County), MA; Acton town (Middlesex County), MA; Acushnet town (Bristol County), MA; Adams town (Berkshire County), MA; Agawam Town city (Hampden County), MA; Alford town (Berkshire County), MA; Amesbury Town city (Essex County), MA; Amherst town (Hampshire County), MA; Andover town (Essex County), MA; and Aquinnah town (Dukes County), MA. Below the dropdowns is a button labeled "Choose a County".

HUD INCOME LIMITS TOOL INSTRUCTIONS FOR EMPLOYEES THAT LIVE OUTSIDE OF NH

5. Once a county is chosen, select “**View County Calculations**”

First select a state:

Idaho - ID
 Illinois - IL
 Indiana - IN
 Iowa - IA
 Kansas - KS
 Kentucky - KY
 Louisiana - LA
 Maine - ME
 Maryland - MD
 Massachusetts - MA

Then select a county:

Abington town (Plymouth County), MA
 Acton town (Middlesex County), MA
 Acushnet town (Bristol County), MA
 Adams town (Berkshire County), MA
 Agawam Town city (Hampden County), MA
Alford town (Berkshire County), MA
 Amesbury Town city (Essex County), MA
 Amherst town (Hampshire County), MA
 Andover town (Essex County), MA
 Aquinnah town (Dukes County), MA

View County Calculations

6. The FY income limits summary will then generate based on your selection. For Section 3 Purposes, you only need to focus on the **50%- and 80%-Income Limits**.

FY 2023 Income Limits Summary

FY 2023 Income Limit Area	Median Family Income Click for More Detail	FY 2023 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Berkshire County, MA (part) HUD Metro FMR Area	\$101,500	Very Low (50%) Income Limits (\$) Click for More Detail	34,900	39,850	44,850	49,800	53,800	57,800	61,800	65,750
		Extremely Low Income Limits (\$)* Click for More Detail	20,950	23,950	26,950	30,000	35,140	40,280	45,420	50,560
		Low (80%) Income Limits (\$) Click for More Detail	55,800	63,800	71,750	79,700	86,100	92,500	98,850	105,250

Examples:

- In this case, if your employee makes **\$34,900 or less** in gross annual income, they would be considered a section 3 worker in the **50%** category.
- If your employee makes between **\$34,900 - \$55,800** in gross annual income, they would be considered a section 3 worker in the **80%** category.
- If your employee makes **\$55,800.01 or more** in gross annual income, they would be **not** considered a section 3 worker.

IMPORTANT: If more than 75% of your workers fall under the 80% AMI for their area, the business is considered a Section 3 Business Concern.

PAYROLL

(For Contractor's Optional Use; See Instructions at www.dol.gov/whd/forms/wh347instr.htm)

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.



Rev. Dec. 2008

OMB No.: 1235-0008
Expires: 02/28/2018

NAME OF CONTRACTOR				OR SUBCONTRACTOR				ADDRESS													
PAYROLL NO.				FOR WEEK ENDING				PROJECT AND LOCATION										PROJECT OR CONTRACT NO.			
(1)	(2)	(3)	OT OR ST	(4) DAY AND DATE								(5)	(6)	(7)	(8) DEDUCTIONS						(9)
NAME AND INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER) OF WORKER	NO. OF WITHHOLDING EXEMPTIONS	WORK CLASSIFICATION										TOTAL HOURS	RATE OF PAY	GROSS AMOUNT EARNED	FICA	WITH- HOLDING TAX			OTHER	TOTAL DEDUCTIONS	NET WAGES PAID FOR WEEK
				HOURS WORKED EACH DAY																	
			O																		
			S																		
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While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) contractors and subcontractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

Date _____

I, _____
(Name of Signatory Party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by _____ on the _____
(Contractor or Subcontractor)
_____ ; that during the payroll period commencing on the _____
(Building or Work)
_____ day of _____, _____, and ending the _____ day of _____, _____,
all persons employed on said project have been paid the full weekly wages earned, that no rebates have
been or will be made either directly or indirectly to or on behalf of said
_____ from the full
(Contractor or Subcontractor)

weekly wages earned by any person and that no deductions have been made either directly or indirectly
from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part
3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948,
63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. § 3145), and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above period are
correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the
applicable wage rates contained in any wage determination incorporated into the contract; that the classifications
set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship
program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and
Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered
with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:
(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

- in addition to the basic hourly wage rates paid to each laborer or mechanic listed in
the above referenced payroll, payments of fringe benefits as listed in the contract
have been or will be made to appropriate programs for the benefit of such employees,
except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

- Each laborer or mechanic listed in the above referenced payroll has been paid,
as indicated on the payroll, an amount not less than the sum of the applicable
basic hourly wage rate plus the amount of the required fringe benefits as listed
in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS:

NAME AND TITLE	SIGNATURE

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR
SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE
31 OF THE UNITED STATES CODE.

**GENERAL CONTRACTOR'S AFFIDAVIT OF CONDITIONAL WAIVER AND
RELEASE ON FINAL PAYMENT**

For the benefit of: New Hampshire Housing Finance Authority ("Mortgagee").

Name of General Contractor: _____

Name and Address of Project: _____

Project Owner: _____ ("Mortgagor")

The undersigned, being duly sworn, on oath, hereby deposes and states as follows:

1. I, (Name) _____, am the duly authorized (Corporate Title) _____
_____ of (General Contractor) _____ and agent
for the Project Owner.

2. Schedule A, attached hereto and made a part hereof, contains an itemization of all parties who have a contract with the General Contractor to provide labor for or materials to the Project since the prior requisition of if no prior requisition then since the Project start date.

3. Based upon my personal knowledge and inspection of the status and progress of work on the Project and upon the payment of prior requisitions, if any, for the Project, the General Contractor hereby certifies:

- a. That all labor provided and materials supplied to the Project identified in that certain requisition of or near even date and accompanying this Affidavit have, as of the date hereof, been truly performed upon or supplied to the Project; and
- b. That upon payment of the requisition made herewith and distribution to the parties identified on Schedule A, all subcontractors, laborers, materialmen, and others performing services or providing materials to the Project will have been paid in full as of the date hereof.

4. That this document waives and releases all lien, stop payment notice and payment bond rights the General Contractor has for all labor and services provided, and equipment and material delivered, to the Owner on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to any written change order that has been fully executed by the parties prior to the date that this document is signed by the General Contractor, are waived and released by this document.

This document is effective only on the Contractor's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: _____

Amount of Check: \$ _____

Check Payable to: _____

5. General Contractor agrees to defend, indemnify and hold harmless the New Hampshire Housing Finance Authority from and against any and all liability arising in any way out of the falsity of any statements made herein.

General Contractor

State of New Hampshire
County of _____

Subscribed and sworn to before me by _____ this
____ day of _____, 2020. In testimony whereof, witness my hand and official seal.

Notary Public

My Commission Expires: _____

Seal

Schedule A to Contractor's Final Affidavit

Project: _____

Requisition # _____

[illegible]

SUBCONTRACTOR AFFIDAVIT OF CONDITIONAL FINAL LIEN WAIVER

For the benefit of: New Hampshire Housing Finance Authority ("Mortgagee").

Name of General Contractor: _____

Name of Subcontractor: _____

Name and Address of Project: _____

Project Owner: _____ ("Mortgagor")

The undersigned, being duly sworn, on oath, hereby deposes and states as follows:

1. I am the _____ of _____ ("Subcontractor") and have personal knowledge of the truthfulness of all statements made herein. I am duly authorized to make such statements on behalf of the Subcontractor and to execute and deliver this Conditional Final Waiver and Release by and on its behalf.

2. Pursuant to an Agreement dated _____, 20____ between the undersigned and _____ (General Contractor), Subcontractor acknowledges that it has provided services, labor and/or materials in connection with the above-listed project owned by the Project Owner listed above. Subcontractor hereby acknowledges receipt of payments in connection with the Project up to and including Requisition/Invoice No. _____ in the sum of \$_____, more particularly described in the attached Schedule A, made a part hereto.

3. In consideration of the payments hereby received by Subcontractor, Subcontractor hereby waives and releases its rights to file any mechanic's, materialmen's or similar liens and demands against Owner, the Project and/or the premises where the Project is located, on account of labor and services performed, and/or materials provided to the Contractor, Owner of the Project and expenses accrued in connection with the Project up to and including Requisition/Invoice No. _____.

4. That this document is effective only on Subcontractor's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check: _____

Amount of Check: _____

Check Payable to: _____

5. Subcontractor agrees to defend, indemnify and hold harmless the New Hampshire Housing Finance Authority from and against any and all liability arising in any way out of the falsity of any statements made herein.

Subcontractor

State of New Hampshire
County of _____

Subscribed and sworn to before me by _____ this ____ day of _____, 2020. In testimony whereof, witness my hand and official seal.

Notary Public

My Commission Expires: _____

Seal

SCHEDULE A

Original Contract Amount:	\$ _____
Approved Change Order:	\$ _____
Adjusted Contract Amount:	\$ _____
Completed to Date:	\$ _____
Retention:	\$ _____
Total Earned (Completed Less Retention):	\$ _____
Previous Payments:	\$ _____
Previous Payment Date:	_____
Current Payment:	\$ _____
Contract Balance:	\$ _____

**GENERAL CONTRACTOR'S AFFIDAVIT OF UNCONDITIONAL WAIVER AND
RELEASE ON FINAL PAYMENT**

For the benefit of: New Hampshire Housing Finance Authority ("Mortgagee").

Name of General Contractor: _____

Name and Address of Project: _____

Project Owner: _____ ("Mortgagor")

The undersigned, being duly sworn, on oath, hereby deposes and states as follows:

1. I, (Name) _____, am the duly authorized (Corporate Title) _____
_____ of (General Contractor) _____ and agent
for the Project Owner.

2. Based upon my personal knowledge and inspection of the status and progress of work on
on the Project and upon the payment of prior requisitions, if any, for the Project, the General
Contractor hereby certifies:

- a. That all labor provided and materials supplied to the Project identified in that certain
requisition of or near even date and accompanying this Affidavit have, as of the date
hereof, been truly performed upon or supplied to the Project; and
- b. That all subcontractors, laborers, materialmen, and others performing services or
providing materials to the Project will have been paid in full as of the date hereof.

3. That this document waives and releases all lien, stop payment notice and payment bond
rights the General Contractor has for all labor and services provided, and equipment and material
delivered, to the Owner on this job. Rights based upon labor or service provided, or equipment or
material delivered, pursuant to any written change order that has been fully executed by the
parties prior to the date that this document is signed by the General Contractor, are waived and
released by this document.

4. General Contractor agrees to defend, indemnify and hold harmless the New Hampshire
Housing Finance Authority from and against any and all liability arising in any way out of the
falsity of any statements made herein.

5. The General Contractor has been paid in full and this covers a final payment for all labor,
services, equipment or material furnished to General Contractor.

General Contractor

State of New Hampshire
County of _____

Subscribed and sworn to before me by _____ this
____ day of _____, 20 _____. In testimony whereof, witness my hand and official seal.

Notary Public

My Commission Expires: _____

Seal

SUBCONTRACTOR AFFIDAVIT OF UNCONDITIONAL FINAL LIEN WAIVER

For the benefit of: New Hampshire Housing Finance Authority ("Mortgagee").

Name of General Contractor: _____

Name of Subcontractor: _____

Name and Address of Project: _____

Project Owner: _____ ("Mortgagor")

The undersigned, being duly sworn, on oath, hereby deposes and states as follows:

1. I am the _____ of _____ ("Subcontractor") and have personal knowledge of the truthfulness of all statements made herein. I am duly authorized to make such statements on behalf of the Subcontractor and to execute and deliver this Unconditional Final Waiver and Release by and on its behalf.

2. Pursuant to an Agreement dated _____, 20____ between the undersigned and _____ (General Contractor), Subcontractor acknowledges that it has provided services, labor and/or materials in connection with the above-listed project owned by the Project Owner listed above. Subcontractor hereby acknowledges receipt of payments in connection with the Project up to and including Requisition/Invoice No. _____ in the sum of \$_____, more particularly described in the attached Schedule A, made a part hereto.

3. In consideration of the payments hereby received by Subcontractor, Subcontractor hereby waives and releases its rights to file any mechanic's, materialmen's or similar liens and demands against Owner, the Project and/or the premises where the Project is located, on account of labor and services performed, and/or materials provided to the Contractor, Owner of the Project and expenses accrued in connection with the Project up to and including Requisition/Invoice No. _____.

4. The Subcontractor has been paid in full to this date and this covers payment for all labor, services, equipment or material furnished by Subcontractor.

5. Subcontractor agrees to defend, indemnify and hold harmless the New Hampshire Housing Finance Authority from and against any and all liability arising in any way out of the falsity of any statements made herein.

Subcontractor

State of New Hampshire
County of _____

Subscribed and sworn to before me by _____ this ____ day of _____, 2020. In testimony whereof, witness my hand and official seal.

Notary Public

My Commission Expires: _____

Seal

SCHEDULE A

Original Contract Amount:	\$ _____
Approved Change Order:	\$ _____
Adjusted Contract Amount:	\$ _____
Completed to Date:	\$ _____
Retention:	\$ _____
Total Earned (Completed Less Retention):	\$ _____
Previous Payments:	\$ _____
Previous Payment Date:	_____
Current Payment:	\$ _____
Contract Balance:	\$ _____