

SECTION 3 BUSINESS CONCERN CERTIFICATION FORM (9-L)

This form is to be provided to owners/employers in Microsoft Word 'fillable' format upon their starting work on the HUD/CDBG funded project.

Instructions: Refer to the instructions on page 2 of this document. Enter the following information and select the criteria that applies to certify your business' Section 3 Business Concern status or to indicate that the business does not qualify as a Section 3 Business Concern. Information must be for the time when the business/entity begins working on the HUD/CDBG funded project.

Business Information:

Name of Business: _____

Address of Business: _____

Name and Title of Business Owner: _____

Phone Number AND Email: Phone Number: _____ Email: _____

Preferred Contact Information: ☐ Same as that listed above ☐ Different from that listed above, please contact:

Name and Title of Preferred Contact: _____

Phone Number AND Email: Phone Number: _____ Email: _____

Type of Business (select one from the following options):

- ☐ Sole Proprietorship ☐ Partnership ☐ Limited Liability Company (LLC) ☐ Corporation (C, S, B, or 501(c)3)
☐ Other: _____

**Note: Non-profit organizations do not qualify as Section 3 Business Concerns.*

Select all that apply below:

At the time of starting work on the HUD/CDBG Project:

- ☐ At least fifty-one percent (51%) of the business is owned and controlled by person(s) with an individual income that is at or below the HUD "80% Low Income" income limit for the county in which the person lives, qualifying the business as a Section 3 Business Concern.*
- ☐ At least fifty-one percent (51%) of the business is owned and controlled by one or more current public housing residents or residents who currently live in Section 8-assisted housing, qualifying the business as a Section 3 Business Concern.*
- ☐ Over seventy-five percent (75%) of the labor hours performed for the business over the prior three-month period were performed by Section 3 Workers, qualifying the business as a Section 3 Business Concern.**
- ☐ None of the above applies. The business does not qualify as a Section 3 Business Concern.

**Income certifications (using the Section 3 Employee Income Certification Form (Attachment 9-K(2)) from the CDBG Implementation Handbook or a modified version) must be on file for the person(s) as record of the owner(s) income status.*

***Payroll records and Section 3 Employee Income Certification Forms (Attachment 9-K(2)) from the CDBG Implementation Handbook must be on file as record of the hours worked and Section 3 Worker status of employees.*

Business Concern Certification

I affirm that the responses I entered in this form are true, complete, and correct to the best of my knowledge and belief. I understand that misrepresenting the business as a Section 3 Business Concern or reporting false information may result in the contract being terminated as default and the business being barred from on-going and future considerations for federally funded contracting opportunities. I hereby certify, under penalty of law, that the information I have provided is correct to the best of my knowledge.

Owner Signature: _____ Date: _____ ***

****Certification expires within six (6) months of the date of signature (above). This form may be used as certification for multiple projects until the expiration date. The certification form only needs to be completed once to certify for a CDBG project (upon starting work on the project).*

Additional information regarding Section 3 Business Concerns can be found at [24 CFR 75.5](#).

SECTION 3 BUSINESS CONCERN CERTIFICATION FORM (9-L)

(INSTRUCTIONS)

This form is to be provided to owners/employers in Microsoft Word 'fillable' format upon their starting work on the HUD/CDBG funded project. Owners/employers only need to complete this form once at the start of the project. If the owner/employer has completed a Section 3 Business Concern Certification form (i.e., certified their Section 3 Business Concern status) for another HUD/CDBG funded project within the past 6 months, then the owner/employer may provide that certification form in lieu of completing a new form at the start of the current HUD/CDBG funded project.

Projects funded by the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program, and the HUD/CDBG award to the Grantee was made on or after November 30, 2020, must demonstrate compliance with Section 3 of the Housing and Development Act (HDA) of 1968 as amended, [24 CFR Part 75](#). The information requested on the form must be collected for contractors (including prime contractors and subcontractors) directly working on a HUD/CDBG funded project that is subject to the Section 3 contracting and reporting requirements of [24 CFR Part 75](#) and may be requested of firms bidding to work on the project in order to demonstrate prioritization of contracting with Section 3 business concerns when feasible, in accordance with [24 CFR Part 75](#).

Any HUD/CDBG funded project is subject to the Section 3 contracting and reporting requirements of [24 CFR Part 75](#) if:

- The HUD grant award(s) (from the State to the Grantee) for the project was made on or after November 30, 2020; **and**
- The project has construction in the scope of work (e.g., new construction, rehabilitation, renovation, demolition), regardless of whether the HUD funding is or is not going to be used for the construction costs; **and**
- The HUD grant award(s) (from the State to the Grantee) for the project total(s) more than \$200,000.

A company/firm qualifies as a Section 3 Business Concern if they meet *at least one* of the following criteria:

- At least 51% of the business is owned and controlled by low- or very low-income (LMI) persons (based on the owner's individual income and the [HUD CDBG Income Limits](#) [<https://www.hudexchange.info/resource/5334/cdbg-income-limits/>] for the county in which the owner(s) live(s)) in effect when they start work on the HUD/CDBG funded project [Note: The owner(s) may use the *Section 3 Employee Income Certification forms (Attachment 9-K(2))* of the *CDBG Implementation Handbook*, which should be provided to contractors/employers with this form, or a modified version, to certify their income level does not exceed the applicable HUD CDBG Income Limit]; **or**
- At least 51% of the business is owned and controlled by one or more current public housing residents or residents who currently lived in Section 8-assisted housing (*records of owner and/or employee housing status are required to verify*); **or**
- Over 75% of the labor hours performed for the business over the prior three-month period were performed by Section 3 Workers [Note: Records of labor hours and completed *Section 3 Employee Income Certification forms (Attachment 9-K(2))* of the *CDBG Implementation Handbook*, which should be provided to contractors/employers with this form, are required to verify employees' Section 3 Worker status].

The purpose of HUD's Section 3 program is to provide employment, training, and contracting opportunities to low- and very low-income individuals, particularly those who are recipients of government assistance for housing or other public assistance programs. This document is intended to help grantees certify Section 3 Business Concerns and provide the appropriate records to support the Section 3 Business Concern status. This certification also helps grantees and their subrecipients, contractors, and subcontractors comply with the Section 3 requirements and make "best efforts" to achieve the Section 3 "safe harbor" goals to the greatest extent feasible:

- having at least 25% of all work hours performed on a CDBG-funded project are worked by Section 3 Workers,
- having at least 5% of all work hours performed on a CDBG-funded project are worked by Targeted Section 3 Workers, and
- prioritizing the contracting of Section 3 Business Concerns and retention, training, recruitment, and hiring of Section 3 Workers who benefit from the economic opportunities provided through HUD/CDBG-funded projects.

CDBG GRANTEES AND ALL CONTRACTORS MUST RETAIN A COMPLETED COPY OF THIS FORM (AND ASSOCIATED OWNER AND EMPLOYEE INCOME CERTIFICATION AND/OR HOUSING STATUS DOCUMENTS, IF APPLICABLE) IN THE CDBG PROJECT FILES FOR SECTION 3 COMPLIANCE.