



SECTION 3 BUSINESS CONCERN APPLICATION

A 1968 HOUSING AND URBAN DEVELOPMENT ACT

Return completed application to: Michelle Wilson Compliance Officer 1149 Ellsworth Drive Pasadena, TX 77506 mwilson@pasadenatx.gov	Incomplete applications will not be processed. Allow two (2) weeks for processing. Do not staple any part of the application.
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New applicants and re-certifying applicants must complete this application in full.

IMPORTANT: Please read pages 3-5 for more information about the certification process.

ALL FIELDS ARE REQUIRED, EXCEPT WHERE NOTED

Date	Company Name		
Trades Provided – Please be detailed, response will be published in the Section 3 Business Database.			
Complete Business Address			
Phone Number		Alt. Phone Number	
Company's Tax ID Number	Contact Person		Owner Ethnicity
Email		Alt. Email Address	
Bonding Agent <i>(if applicable)</i>	Bonding Company <i>(if applicable)</i>	Bonding Limit <i>(if applicable)</i>	

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Grounds for Non-Certification or Temporary Certification

Debarred, Excluded or Suspended by a Federal Agency

The business and all principal members of the business will be checked against the exclusion databases found on System for Award Management and HUD's Limited Denial of Participation/HUD Funding Disqualification/Voluntary Abstentions Database.

If a principal member and/or business is listed as a debarred/excluded/suspended party, certification will be subject to HUD's approval. Additional documentation may be requested by Compliance Officer and/or HUD to complete the certification review.

In the event that certification is denied, the applicant may reapply once the debarment, exclusion or suspension has been lifted and is no longer listed on the reporting database.

<https://www.SAM.gov>

https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp

Delinquent Business Property Taxes and Business Personal Property Taxes

The business will be checked against delinquent property taxes (business location only) and delinquent business personal property taxes within applicable taxing jurisdictions.

In the event that the applicant is shown to have delinquent property taxes, a regular three-year certification can be issued if the following documentation can be provided:

Proof of Payment in Full - Receipt from taxing authority that all delinquent taxes have been paid.

A Temporary Certification will be given if the following documentation can be provided:

Proof of Payment Plan - Copy of signed payment plan agreement issued by taxing authority and copies of cancelled payment checks from start of payment plan to current.

The temporary certification will expire at the end of the payment plan agreement. At that time, applicant will need to provide proof of payment in full in order to receive a regular three-year certification.

Incomplete Application Submission

Only complete applications will be processed. All sections of the application and requested supporting documentation are required (except where noted by the option to write N/A). **No exceptions will be given for incomplete applications.**

Applicant will be notified via email of any application discrepancies. As a courtesy, the applicant will be given 10 business days from the date the email is sent to resolve any discrepancies. In the event that the applicant fails to submit a complete application within the 10 days, the application will be denied certification and closed out. The applicant must submit a new application for future certification.

Section 3 Business Certification Priority Preferences

Per the Section 3 Federal Regulation, 24 CFR Part 75.19, certified businesses are assigned a priority number based on the following preferences:

- **Priority 1** – Section 3 Business Concerns that provide economic opportunities for Section 3 Workers residing within the service area or the neighborhood of the project. This will include all businesses **located within in the City of Pasadena** and/or any zip code that is recognized by the City of Pasadena.
- **Priority 2** – Applicants selected to carry out HUD Youth build programs.
- **Priority 3** – All other Section 3 Business Concerns. This includes all businesses that are **located outside of the City of Pasadena** and/or have a zip code that is not recognized by the City of Pasadena.

Priority of Preferences When Awarding Contracts on a Section 3 Covered Project

When bidding on a Section 3 covered project as a certified Section 3 Business (General Contractor, Subcontractor or Professional Service), bids are reviewed/awarded based on the Section 3 Bid Selection Process, stated in the Section 3 Federal Regulation, 24 CFR Part 75 **see page 5**.

When multiple Section 3 Businesses submit bids on the same scope of work and all bid amounts fall within the allowed percentage gap stated in the Section 3 Bid Selection Process, then the reviewer will give preference based on the Section 3 Business's assigned priority number, along with their ability to perform the scope of work and meet all required qualifications. Please read the Section 3 Bid Selection Process for a complete understanding of the bid selection process between a Section 3 Business and Non-Section 3 Business, **see page 5**.

Section 3 is not an entitlement program, there are no guarantees. Businesses must be able to demonstrate that they have the ability or capacity to perform the specific job or successfully complete the contract they are seeking. Also, once the contractor has awarded the required dollar amount to Section 3 Business(es), the contractor is not required to follow the Section 3 Bid Selection Process for all subsequent scopes of work.

Section 3 Bid Selection Process

Procurement by Sealed Bids (Invitations for Bids)

Preference in the award of Section 3 Covered Contracts that are awarded under a sealed bid process may be provided as follows:

Bids shall be solicited from all businesses (Section 3 Business Concerns, and non-Section 3 Business Concerns). An award shall be made to the qualified Section 3 Business Concern with the highest priority ranking and with the lowest responsive bid:

1. Bids shall be solicited from all businesses (i.e. Section 3 Business Concerns and non-Section 3 Business Concerns). An award shall be made to the qualified Section 3 Business Concern with the highest priority ranking (as defined in 24 CFR Part 75) and with the lowest responsive bid if that bid:
 - a. is within the maximum total contract price established in City of Pasadena's budget for the specific project for which bids are being taken; and
 - b. is not more than "X" higher than the total bid price of the lowest responsive bid from any responsible bidder. "X" is determined as follows:
 - X = lesser of:
 - When the lowest responsive bid is less than \$100,000 10% of that bid or \$9,000
 - When the lowest responsive bid is:
 - At least \$100,000, but less than \$200,000..... 9% of that bid or \$16,000
 - At least \$200,000, but less than \$300,000.....8% of that bid or \$21,000
 - At least \$300,000, but less than \$400,000.....7% of that bid or \$24,000
 - At least \$400,000, but less than \$500,000.....6% of that bid or \$25,000
 - At least \$500,000, but less than \$1 million.....5% of that bid or \$40,000
 - At least \$1 million, but less than \$2 million.....4% of that bid or \$60,000
 - At least \$2 million, but less than \$4 million.....3% of that bid or \$80,000
 - At least \$4 million, but less than \$7 million.....2% of that bid or \$105,000
 - \$7 million or more, 5% of the lowest responsive bid, with no dollar limit.
2. If no responsive bid by a Section 3 Business Concern meets the requirements of paragraph 1 of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.
3. In both paragraph 1 and 2 above, a bidder, to be considered as responsible, must demonstrate compliance with the "greatest extent feasible" requirement of Section 3.

Part I. Section 3 Statement of Qualifications

Your business must classify under one of the following minimum requirements to be qualified as a Section 3 Business Concern before being awarded contracts under Section 3. **If your business qualifies for more than one category, please select only ONE. Note that all categories must fill out Chart A.**

Check the appropriate box:

- 1** A majority fifty-one (51) percent or more ownership of business shall be held by low to very low-income residents. Based on the resident's household income in comparison to the HUD Income Limit for 80% Median Annual Income. **See pg. 13 For HUD Income Limit Chart. Fill out Chart A.**
- 2** Seventy-five (75) percent or more labor hours are performed by Section 3 workers who are low- or very low-income workers or YouthBuild participants. **See pg. 13 For HUD Income Limit Chart. Fill out Chart A and Chart B-1 & B-2.**
- 3** Fifty-one (51) percent or more of the business is owned by current residents of public housing or Section 8- assisted living. **Fill out Chart A and Chart C-1.**

Chart A for Category 1, 2 & 3

Complete the chart below for each business owner. If more space is needed attach additional copies of this page. **Have each qualifying owner complete the Section 3 Resident Application, and submit their 2020 Personal Income Tax Return.**

Full Name			Home Address		
Last 4 Digits of SSN	% Ownership	Annual Household Income	# in Household	Race	Gender

Full Name			Home Address		
Last 4 Digits of SSN	% Ownership	Annual Household Income	# in Household	Race	Gender

Full Name			Home Address		
Last 4 Digits of SSN	% Ownership	Annual Household Income	# in Household	Race	Gender

Full Name			Home Address		
Last 4 Digits of SSN	% Ownership	Annual Household Income	# in Household	Race	Gender

Chart B-1 for Category 2

<p>How many total hours were worked on the project in the prior three months by company employees? Enter number in Box 1 <i>Employees are defined as individuals placed on company payroll. 1099 Contractors do not qualify as an employee.</i></p>	Box 1	
<p>How many hours are worked by Section 3 workers, Targeted Section 3 workers or YouthBuild participants for the past three months? Divide this number by the total number hours worked. Enter number in Box 2 <i>To be eligible as a Section 3 business concern, this percentage must be 75% or more in order for your business to qualify under Category 2.</i></p>	Box 2	
<p>Does the number in Box 2 meet or exceed 75%? Enter Yes or No in Box 3 <i>If Yes, then your business qualifies under Category 2, continue to Chart B-2 to list employees. If No, your business does not qualify under Category 2. Return to pg. 6 and select another category. If your business does not qualify for another category, then certification cannot be issued at this time.</i></p>	Box 3	

Chart B-2 for Category 2

List employees that qualify as Section 3 Workers, Targeted Section 3 Workers or YouthBuild Participants. Each employee must provide self-certification and/or certification for the following:

1. Worker’s self-certification that their income is below the income limit from the prior calendar year; or
2. Worker’s certification of participation in a means tested program such as public housing or Section 8; or
3. Certification from a public housing authority or Section 8 program manager that the worker is a participant in such a program
4. Worker’s certification that the worker is a YouthBuild participant.

If more space is needed attach additional copies of this page.

Full Name	Last 4 Digits of SSN	Annual Household Income	# in Household
Home Address			

Full Name	Last 4 Digits of SSN	Annual Household Income	# in Household
Home Address			

Full Name	Last 4 Digits of SSN	Annual Household Income	# in Household
Home Address			

Chart C-1 for Category 3

In order to qualify for Category 3, Fifty-one (51) percent or more of the business is owned by current residents of public housing or Section 8- assisted living. Additional information may be requested by **the Compliance Examiner**.

Full Name			Home Address		
Last 4 Digits of SSN	% Ownership	Annual Household Income	# in Household	Public Housing Yes ___ No ___	Section 8-assisted living Yes ___ No ___

Full Name			Home Address		
Last 4 Digits of SSN	% Ownership	Annual Household Income	# in Household	Public Housing Yes ___ No ___	Section 8-assisted living Yes ___ No ___

Full Name			Home Address		
Last 4 Digits of SSN	% Ownership	Annual Household Income	# in Household	Public Housing Yes ___ No ___	Section 8-assisted living Yes ___ No ___

Full Name			Home Address		
Last 4 Digits of SSN	% Ownership	Annual Household Income	# in Household	Public Housing Yes ___ No ___	Section 8-assisted living Yes ___ No ___

Full Name			Home Address		
Last 4 Digits of SSN	% Ownership	Annual Household Income	# in Household	Public Housing Yes ___ No ___	Section 8-assisted living Yes ___ No ___

Each business owner must provide the following:

Public Housing Resident: ___ Lease Agreement

Federal, State, or Local Public Housing: ___ Voucher or Award Letter

Part II. Company Background Information

Complete the below sections and attach the following business documents:

Company Information

Name of Company		Date Company Established
Complete Address		
Telephone Number	Email	
Select Company Category and provide supporting documentation: <input type="checkbox"/> Sole Proprietorship (Attach Assumed Business Name Certificate or proof of EIN/Federal Tax ID Number) <input type="checkbox"/> Partnership (Attach Partnership Agreement and Assumed Business Name Certificate) <input type="checkbox"/> LLC (Attach proof of registration with Secretary of State) <input type="checkbox"/> LP (Attach proof of registration with Secretary of State) <input type="checkbox"/> Joint Venture (Attach Joint Venture Agreement and Assumed Business Name Certificate) <input type="checkbox"/> LLC (Attach proof of registration with Secretary of State) <input type="checkbox"/> LP (Attach proof of registration with Secretary of State) <input type="checkbox"/> Corporation (Attach Article of Incorporation)		

Principal Members

List the principal members of your company, including all officers. Provide a brief description of their related experience with the current scope of work and other fields. If more space is needed attach additional copies of this page.

Name	Title	Phone Number
Home Address		
Related Experience		

Name	Title	Phone Number
Home Address		
Related Experience		

Name	Title	Phone Number
Home Address		
Related Experience		

Name	Title	Phone Number
Home Address		
Related Experience		

Part III. Affidavit

The undersigned hereby authorizes and requests any person, firm or corporation to furnish any information and contact references requested by the Compliance Examiner in verification of the recitals comprising this _____ day of ____, 20_____.

Company Name

Print Name

Title

Signature

STATE OF TEXAS)
) SS
COUNTY OF HARRIS)

_____ being duly sworn, deposes and says that he/she is
_____ of _____ and that the
answers to the foregoing questions and all statements therein contained are true and
correct. Subscribed and sworn to before me this _____ day of _____,
20_____.

Notary Public

My Commission Expires:

2021 HUD Median Family Income (MFI) (Low Income/Very-Low Income Limits)

2021 HUD MFI for Houston-Baytown-Sugarland, TX

- Verify that owner/employee's income does not exceed the 80% of Median Low-Income limit by household size.

Income Level	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
0 - 30%	\$16,650	\$19,000	\$21,690	\$26,500	\$31,040	\$35,580	\$40,120	\$44,660
50%	\$27,750	\$31,700	\$35,650	\$39,600	\$42,800	\$45,950	\$49,150	\$52,300
80%	\$44,350	\$50,700	\$57,050	\$63,350	\$68,450	\$73,500	\$78,600	\$83,650

Released April 2021

See <https://www.huduser.gov/portal/datasets/il.html> for most recent income limits.

Definitions

Section 3 Worker Definition:

- A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD); or
- Employed by a Section 3 Business Concern; or
- A YouthBuild participant.

Targeted Section 3 Worker Definition:

- 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 years:
 - A resident of public housing; or
 - A resident of other public housing projects or Section 8-assisted housing; or
 - A YouthBuild participant.