



CONNECTICUT HOUSING FINANCE AUTHORITY

POLICY STATEMENT

Policy #:	Title:	Effective Date:
CHFA-2010-3	Very Low-Income Construction Employment	07/29/2010

POLICY STATEMENT

The Connecticut Housing Finance Authority (CHFA) requires that applicants for CHFA funded multifamily mortgages and Low-Income Housing Tax Credits commit to undertaking good faith efforts to hire or train very low-income persons from the area of the housing constructed or rehabilitated with CHFA funding.

This requirement will apply when housing is developed or rehabilitated with funds provided through bond issuance, Investment Trust Account proceeds, Community Investment Act funds and Low-Income Housing Tax Credits.

CHFA funded developments otherwise required to comply with Section 3 of the Housing and Community Development Act of 1968 or a local government hiring program will be deemed in compliance with this policy.

GUIDELINES

CHFA will implement this requirement according to the following guidelines:

- 1) Good faith efforts to hire and train very low-income residents in the area (See "Definitions") can be demonstrated by a range of advertising and outreach activities as well as participation in, and cooperation with, a variety of local job training and employment initiatives.
- 2) CHFA will identify activities that constitute good faith efforts. These activities will be weighted and assigned points according to the degree of effort required. Completing a combination of efforts that totals four points of which no more than two can be from the first category and two from the second or third category will satisfy CHFA's requirement.
- 3) Good faith efforts will be undertaken by Low-Income Housing Tax Credit recipients and mortgagors, and reported according to guidance provided by CHFA.
- 4) Failure to undertake these good faith efforts will result in the principals being barred from applying to CHFA for multifamily development mortgage or Low-Income Housing Tax Credit funding for a period of 12 months unless waived by the Board.
- 5) This policy shall be evaluated as to its cost and effectiveness after two years.



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BACKGROUND AND STATEMENT OF NEED

The construction and rehabilitation of housing can present opportunities for the hiring and training of very low-income persons. These opportunities can provide very low-income individuals with needed income as well as transferable skills and experience necessary for future employment. Like affordable housing itself, therefore, employment of very low-income area residents can enable individuals and families to become financially stable and secure.

Federal housing assistance programs, such as Public Housing, HOPE VI Public Housing Redevelopment, the HOME Investment Partnership and the Community Development Block Grant programs are subject to Section 3 of the Housing and Community Development Act of 1968. This program requires housing development funded through these programs to meet specific goals for contracting, hiring and training of very low-income persons. Over the past two years 7 of 15 recipients of Low-Income Housing Tax Credits have received HOME program funds subject to Section 3. The 2010 Qualified Allocation Plan provides points to applicants for job training programs in the building trades during development, and for contracting with a Section 3 qualified business.

Local governments that have made a financial contribution or tax/regulatory concession to a particular development may sometimes condition such assistance on the applicants hiring local residents in the construction and rehabilitation activity funded. Typically this is done on a case-by-case basis. Hartford and Bridgeport have from time to time made such hiring a condition of assisting development projects.

IMPLEMENTATION & RESPONSIBLE DEPARTMENTS

CHFA will amend its Low-Income Housing Tax Credit Qualifying Allocation Plan to make compliance with this policy a threshold criterion to apply for Low-Income Housing Tax Credits and CHFA multifamily mortgage funding.

CHFA will develop program documentation, guidance and technical assistance to support development teams in their good faith efforts to comply with this policy, including links to job training programs and agencies that can provide "employment ready" persons in the building and related trades.

CHFA will develop reporting requirements to document the efforts of development teams to comply with this policy as well as the persons hired as a result of good faith efforts.



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Responsible Department: Multifamily Housing Development Programs

Responsible Position: Chief Housing Officer

RELATIONSHIP TO OTHER POLICIES AND GUIDELINES

Low-Income Housing Tax Credit Qualified Allocation Plan
 CHFA Multifamily Housing Development Program guidelines and requirements
 CHFA lending programs financed through bond issuance, ITA proceeds, CIA funding or
 Low-Income Housing Tax Credits

DEFINITIONS

“Very low-income residents” those qualified under Federal Section 3 of the Federal Housing and Community Development Act of 1968 as administered by the Department of Housing and Urban Development.

“Area” the Metropolitan statistical area in which the housing development is located.

“Good faith efforts” are those actions identified by CHFA in Attachment A to this policy or other similar activity accepted by CHFA.

Board Approval

Date of Board Approval:
Effective Date:

July 29, 2010
July 29, 2010

Signed: Timothy F. Bannon

Date: 8/4/10

Timothy F. Bannon
CHFA President-Executive Director



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CHFA Very Low Income Construction Employment Policy

Examples Of Efforts To Offer Training and Employment Opportunities To Very Low-Income Persons

(Undertaking activities totaling 4 points of which no more than 2 points can be from the first category (1 Point category) and two from the second (2 Point category) or third category (3 Point category) complies with CHFA's Requirement)

1 Point

- ___ Advertising training and employment positions by distributing and posting flyers (that identify the positions to be filled, the qualifications required and where to obtain additional information about the application process) to every occupied dwelling unit, common areas, or other prominent areas in the housing development or developments.
- ___ Contacting resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments and community organizations in the neighborhood, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.
- ___ Consulting with state and local agencies administering training programs funded through Workforce Investment Act (WIA) or Jobs First Employment Services (JFES), probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting very low-income residents.
- ___ Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.

2 Points

- ___ Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by the owner, developer or contractors at a location in the housing development or local neighborhood.
- ___ Arranging assistance in conducting job interviews and completing job applications for residents of the housing developments or developments, and in the neighborhood or area in which the development is located.



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- Arranging for a location in the housing development or developments where very low-income persons reside or the neighborhood of the development, where job applications may be delivered to and collected by a recipient or contractor representative or representatives.
- Contacting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild programs participants.
- Employing a job coordinator or contracting with a business that is licensed in the field of job placement that will undertake, on behalf of the developer, owner or contractors, the efforts to match eligible and qualified very low-income residents with the training and employment positions that the developer, owner or contractors intend to fill.
- Where there are more qualified very low-income residents than there are positions to be filled, maintaining a file of eligible qualified low-income residents for future employment positions.
- Undertaking job counseling, education and related programs in association with local educational institutions.
- Undertaking such continued job training efforts as may be necessary to ensure the continued employment of very low-income residents previously hired for employment opportunities.
- After selection of bidders, but prior to contract execution, incorporating into the contract negotiated provisions for a specific number of very low-income residents to be trained or employed.

3 Points

- Entering into "first source" hiring agreements with organizations representing very low-income residents.
- Sponsoring or establishing employment and training program for other very low-income residents.
- Coordinating employment opportunities and training needs with the local Workforce Investment Board, Department of Labor or local CTWorks office.
- For a developer, owner or contractor, employing very low-income residents directly on either a permanent or a temporary basis to perform work generated by CHFA's funding.
- Subcontracting with a Section 3 certified or public housing resident owned business for a portion of the construction.

Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	D. %
E. Total number of Section 3 businesses receiving contracts	F. G.

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low-and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-1 08 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

Form HUD-60002, **Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.**

Instructions: This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any **public and Indian housing programs** that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to **recipients of housing and community development assistance in excess of \$200,000** expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to **contracts and subcontracts in excess of \$100,000** awarded in connection with the Section-3-covered activity.

Form HUD-60002 has three parts, which are to be completed for all programs covered by Section 3. Part I relates to **employment and training**. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F). Part II of the form relates to **contracting**, and Part III summarizes recipients' **efforts** to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.* A recipient of Section 3 covered assistance shall submit one copy of this report to HUD Headquarters, Office of Fair Housing and Equal Opportunity. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, this Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. **Only Prime Recipients are required to report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.**

HUD Field Office: Enter the Field Office name .

1. Recipient: Enter the name and address of the recipient submitting this report.
2. Federal Identification: Enter the number that appears on the award form (with dashes). The award may be a grant, cooperative agreement or contract.
3. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.
- 4 & 5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the recipient's implementation of Section 3.
6. Reporting Period: Indicate the time period (months and year) this report covers.
7. Date Report Submitted: Enter the appropriate date.

8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Program Name: Enter the name of HUD Program corresponding with the "Program Code" in number 8.

Part I: Employment and Training Opportunities

Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

Column B: (Mandatory Field) Enter the number of new hires for each category of workers identified in **Column A** in connection with this award. New hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column C: (Mandatory Field) Enter the number of Section 3 new hires for each category of workers identified in **Column A** in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column D: Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.

Column E: Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

Column F: (Mandatory Field) Enter the number of Section 3 residents that were trained in connection with this award.

Part II: Contract Opportunities

Block 1: Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Part III: Summary of Efforts – Self -explanatory

Submit one (1) copy of this report to the HUD Headquarters Office of Fair Housing and Equal Opportunity, at the same time the performance report is submitted to the program office. The Section 3 report is submitted by January 10. Include only contracts executed during the period specified in item 8. PHAs/IHAs are to report all contracts/subcontracts.

* The terms "low-income persons" and very low-income persons" have the same meanings given the terms in section 3 (b) (2) of the United States Housing Act of 1937. **Low-income persons** mean families (including single persons) whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that

The Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. **Very low-income persons** mean low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income area, as determined by the Secretary with adjustments or smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Supplemental Information

Part I of form HUD 60002 must be completed if, as a result of efforts undertaken [as indicated in the CHFA Very Low-Income (“VLI”) Construction Employment Status Report], the Mortgagor or the General Contractor hired (during the reporting period) VLI residents directly on either a permanent or temporary basis to perform work generated by a Connecticut Housing Finance Authority (“CHFA”) multifamily mortgage and/or Low-Income Housing Tax Credits (“LIHTCs”).

The information will be used by CHFA to monitor compliance with its VLI Construction Employment Policy.

12/06/10