



Section 3 Business Application

Return completed application to:

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 Compliance Examiner
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 Pasadena, TX 77506
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**Incomplete applications will not be processed.
 Allow two (2) weeks for processing.
 Do not staple any part of the application.**

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 Examiner 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 135.36 (2), 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 residents in the service area or neighborhood in which the section 3 covered project is located. 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 135.92 III (2)(i)(ii); **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 135) 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 51% or more ownership of business shall be held by low to very- low income resident(s). 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** At least 30% of full time employees of the business are 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 and Chart B-1 & B-2.**
- 3** More than 25% of all contract work has *previously* been awarded to Certified Section 3 Businesses, or businesses that meet the requirements set forth in categories 1 or 2 above. Going forward, if awarded a contract on a *Section 3 covered contract*, 25% of your contract amount *must be* awarded to a certified Section 3 Business(es). **Fill out Chart A and Chart C-1, C-2 & C-3.**

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, pg. 14–20, and submit their 2016 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 full-time permanent employees do you currently employ? 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>Multiply the number in Box 1 by .30 Enter number in Box 2 <i>This is the number of employees that must qualify as a Section 3 Resident in order for your business to qualify under Category 2.</i></p>	Box 2	
<p>Out of the number in Box 1, how many employees qualify as a Section 3 Resident? Enter number in Box 3 <i>Based on the employee's household income, either current amount or at any time during the past three years. The household income cannot exceed the annual income limit stated in the HUD Income Limit Chart, under the 80% Median Annual Income Limit column; pg. 13.</i></p>	Box 3	
<p>Does the number in Box 3 meet or exceed the number in Box 2? Enter Yes or No in Box 4 <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 4	

Chart B-2 for Category 2

List employees that qualify as Section 3 Residents. The number of employees listed should equal the number in Box 2 or Box 3. Have each qualifying employee complete the Section 3 Resident Application, pg. 14-20. 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			
Full Name	Last 4 Digits of SSN	Annual Household Income	# in Household
Home Address			

Chart C-1 for Category 3

List qualifying contracts. In order to qualify for Category 3, applicant must successfully show proof of contracts previously/currently awarded to businesses that are certified as a Section 3 Business under Category 1 or 2, or meet the requirements for Category 1 or 2. Additional information may be requested by **the Compliance Examiner**.

How many <i>Section 3 covered projects</i> has your business worked on within the past three (3) years? Enter number in Box 1 <i>See definition of Section 3 Covered Project.</i>	Box 1	
Total dollar amount of contracts received from projects listed in Box 1. Enter amount in Box 2	Box 2	
Multiply the amount in Box 2 by .25 Enter the amount in Box 3	Box 3	
Out of the projects listed in Box 1, how many contracts did your business award to Certified Section 3 Businesses, or businesses that qualify under Category 1 or 2? Enter number in Box 4	Box 4	
Total dollar amount of awarded contracts to Section 3 Businesses or Qualifying Businesses. Enter amount in Box 5	Box 5	
Is the amount listed in B5 equal to or greater than amount in Box 3? Enter Yes or No in Box 6. <i>If Yes, continue to Chart C-2 & C-3 to enter project and contract information.</i> <i>If No, your business does not qualify under Category 3. Return to pg. 6 to select another category.</i> <i>If your business does not qualify for any category, then certification cannot be issued at this time.</i>	Box 6	

Chart C-2 for Category 3

List project information from Chart C-1 Box 1. If more space is needed attach additional copies of this page.

# ____	Project Name	Agency Name
	Start/End Date	Total Contract Amount
# ____	Project Name	Agency Name
	Start/End Date	Total Contract Amount
# ____	Project Name	Agency Name
	Start/End Date	Total Contract Amount
# ____	Project Name	Agency Name
	Start/End Date	Total Contract Amount
# ____	Project Name	Agency Name
	Start/End Date	Total Contract Amount

Chart C-3 for Category 3

List Section 3 Businesses or Businesses that qualify under Category 1 or 2 from Chart C-1 Box 4. If more space is needed attach additional copies of this page.

Contract Awarded to:		Contract Award Date:		Contract Amount:			
Contact Person:		Phone Number:		Email:			
Currently certified as a Section 3 Business with the City of Houston HCDD?				<input type="checkbox"/> YES		<input type="checkbox"/> NO	
If Yes, what is the qualifying category? If No, continue to fill out the below portion. Select only one (1) category.				<input type="checkbox"/> Category 1		<input type="checkbox"/> Category 2	
<input type="checkbox"/> Category 1	Owner's Name	% of Ownership	Annual Household Income		# In Household		
<input type="checkbox"/> Category 2	Total # of Permanent Employees		# of Employees that do not exceed HUD 80% Median Income Limit				

Contract Awarded to:		Contract Award Date:		Contract Amount:			
Contact Person:		Phone Number:		Email:			
Currently certified as a Section 3 Business with the City of Houston HCDD?				<input type="checkbox"/> YES		<input type="checkbox"/> NO	
If Yes, what is the qualifying category? If No, continue to fill out the below portion. Select only one (1) category.				<input type="checkbox"/> Category 1		<input type="checkbox"/> Category 2	
<input type="checkbox"/> Category 1	Owner's Name	% of Ownership	Annual Household Income		# In Household		
<input type="checkbox"/> Category 2	Total # of Permanent Employees		# of Employees that do not exceed HUD 80% Median Income Limit				

Contract Awarded to:		Contract Award Date:		Contract Amount:			
Contact Person:		Phone Number:		Email:			
Currently certified as a Section 3 Business with the City of Houston HCDD?				<input type="checkbox"/> YES		<input type="checkbox"/> NO	
If Yes, what is the qualifying category? If No, continue to fill out the below portion. Select only one (1) category.				<input type="checkbox"/> Category 1		<input type="checkbox"/> Category 2	
<input type="checkbox"/> Category 1	Owner's Name	% of Ownership	Annual Household Income		# In Household		
<input type="checkbox"/> Category 2	Total # of Permanent Employees		# of Employees that do not exceed HUD 80% Median Income Limit				

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:

2017 HUD Median Family Income (MFI)

2017 HUD MFI for Houston-The Woodlands-Sugarland, TX

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

Persons in Household	30% of Median Extremely Low-Income		50% of Median Very Low-Income		80% of Median Low Income	
	Annual Income	Monthly Income	Annual Income	Monthly Income	Annual Income	Monthly Income
1	\$15,050	\$1254	\$25,050	\$2087	\$40,050	\$3337
2	17,200	1433	28,600	2383	45,800	3816
3	20,420	1701	32,200	2683	51,500	4291
4	24,600	2050	35,750	2979	57,200	4766
5	28,780	2398	38,650	3220	61,800	5150
6	32,960	2746	41,500	3458	66,400	5533
7	37,140	3095	44,350	3695	70,950	5912
8	41,320	3443	47,200	3933	75,550	6295

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