

Lancaster County Rental Housing Rehabilitation Program

Introduction

The Lancaster County Rental Housing Rehabilitation Program (the Program) is available to provide financial assistance to owners of rental residential properties in Lancaster County to acquire and/or rehabilitate their properties. In exchange, property owners are required to rent to low- and moderate-income tenants for a minimum term of ten (10) years

The goal of the program is to ensure that low-and moderate-income tenants are provided with decent, safe and sanitary living environments at an affordable rent.

If you are interested in obtaining an application and/or have questions related to the information below, please contact the program director, hcd@lchra.com or call 717-394-0793, ext. 226.

Project Eligibility

To qualify for assistance through the Rental Housing Rehabilitation Program:

- The property to be rehabilitated must be located in Lancaster County, outside the City of Lancaster.
- The property to be rehabilitated must be a permanent structure available for rent on a year-round basis.
- Mixed-use properties (commercial and residential) are eligible for assistance as long as the commercial use is compatible with the residential use. Assistance is only provided for the rehabilitation of the residential portions of the property.
- Properties where the owner occupies one of the units are eligible for assistance as long as the assistance is only provided for the rehabilitation of the rental units.
- Mixed-income properties, renting to tenants with incomes in excess of 80% Median Family Income (MFI) as well as tenants that are under 80% MFI are eligible; however, assistance through the program is restricted to those units that are income eligible.
- Conversion of a vacant commercial building into rental housing under this program is permitted. Mobile homes are not eligible for assistance through the Program. Conversion of existing single-family homes into two or more units is not eligible for assistance through the Program.
- The property to be rehabilitated must have major building systems that are in need of replacement or that fail to meet applicable building codes and standards of the municipality in which they are located or other health and

safety concerns that would impact the tenant(s) The minimum rehabilitation cost must be at least \$5,000 per residential unit.

- The property must have seven (7) or fewer units. The minimum number of units to be rehabilitated through the program, per property, is two (2).
- If the property to be rehabilitated is occupied at the time of application submission, at least 51% of the tenants must be considered to be low- or moderate-income as determined annually by the U.S. Department of Housing and Urban Development (HUD) and rents must be equal to or less than Fair Market Rents (FMR) as determined annually by HUD. All FMRs include utilities paid by tenant per Utility Allowance schedules in effect.
- To comply with the Federal Uniform Relocation Act (URA), notifications concerning the rehabilitation of rental units and the possibility of relocation must be sent to all tenants in the property considered rehabilitation. It is not the intent of the Program to require tenants to relocate (displaced to another dwelling unit during the rehabilitation of their unit) and that such an event may result in the disqualification of the unit from the Program. However, if all parties involved agree that displacement is necessary, all associated costs shall be in accordance with the Federal Uniform Relocation Act and shall be the sole responsibility of the property owner. NOTE: Property owners cannot elect to not renew a lease or evict a resident due to upcoming rehabilitation work; this would constitute displacement, and the tenants would be entitled to relocation benefits.
- The applicant must be the owner of record of the property to be rehabilitated. Or the applicant must have the property under control through a valid Agreement of Sale (the applicant must take ownership of the property prior to the rehabilitation loan settlement). Financing is not available for properties being purchased through a Lease/Purchase Agreement.
- The owner of record may be an individual or individuals, corporation, partnership or nonprofit organization. The owner of record, including the principals of a corporation, may not have a history of code violations in any municipality in Lancaster County.
- All relevant real estate taxes and mortgage payments for the property must be current.
- A non-refundable application fee of \$250 payable to the Redevelopment Authority of the County of Lancaster is required.
- The project will be subject to an environmental review. An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. The environmental review process is required for all HUD-assisted

projects to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself will not have an adverse environmental or health effect on end users.

Eligible Rehabilitation Expenditures

Below are eligible rehabilitation expenditures through the Program:

- Health and safety repairs to be prioritized;
- Improvements to correct violations of applicable building and housing codes and ordinances;
- Replacement or updating of building systems that are in danger of failing;
- Lead-based paint remediation (project must comply with HUD's Lead Based Paint rule at 24 CFR 570.608 and 24 CFR Part 35, and tenants must be provided with notifications regarding lead-based paint hazards.) All lead-based paint remediation work must be completed by Lead certified contractors;
- Improvements to energy efficiency;
- Environmental hazards including radon remediation or asbestos abatement;
- Removal of architectural barriers to provide accessibility for persons with disabilities;

In projects proposing the rehabilitation of mixed-use properties, only the costs of improvements to the residential portions of the property are eligible costs under this program. The costs of improvements to common areas/systems (roof, façade, etc.) are eligible costs on a pro-rata basis determined by the proportion of the building devoted to residential usage.

All requested repairs will be reviewed and inspected by LCHRA staff to assess the appropriateness of using federal funds for the proposed work. A final decision on the repairs that will be paid by this program will be provided to the owner for approval.

Ineligible Expenditures

New construction of rental units is ineligible for this program.

Other ineligible expenditures include removal of trees, creating an addition, and paving sidewalks or roads. LCHRA reserves the right to deny any expenditure.

Financial Assistance

Financial assistance will be provided for eligible rehabilitation expenditures, as follows:

- The total subsidy amount provided by the Redevelopment Authority may not exceed the lesser of 60% of the costs of eligible acquisition and rehabilitation expenditures or \$40,000 per unit.
- Financial assistance will be provided as a 1% interest loan secured by a promissory note and mortgage.
- Loans will be issued for a ten (10) year term. During the initial five (5) years of the loan term, interest only payments shall be due and payable annually on December 31st of each year. Beginning the first day of the sixth (6th) year, fifty percent (50%) of the outstanding principal balance shall be forgiven with the remaining balance amortized at the rate of one percent (1%) per year over the remaining term of the loan.
- Payments of principal and interest shall be due and payable annually by December 31 of each year starting in the sixth (6th) year.
- The total principal balance with accrued and unpaid interest, if any, shall be due and payable upon the earlier of ten years from the Commencement Date, or during the transfer of real property, or sale of real property prior to maturity.
- All loans will be negotiated with the property owner and approved by the Lancaster County Redevelopment Authority Loan Committee. During the term of the loan, repayment will be due in full upon sale, and/or transfer of the property to an independent third party. If the rehabilitated property is sold prior to the expiration of the term of the agreement, 100% of the outstanding monies are due and payable to the Redevelopment Authority in accordance with the lien documents and covenants.
- A minimum of 40% of the rehabilitation costs shall be financed through conventional means or through cash equity contributions from the property owner.
- The property owner shall contribute at least 10% of the total project cost to the project in either cash or cash equivalent (property equity).
- The property owner's contribution described above shall be paid first after the Notice to Proceed is issued. All pay requests shall be submitted prior to the disbursement of any County funds.
- The property owner shall insure the Redevelopment Authority's interests with a property and liability insurance policy on the property for the full term of

affordability. The Redevelopment Authority shall be included as an additional insured. Written evidence of such insurance shall be submitted to the Redevelopment Authority for approval prior to closing.

- The Redevelopment Authority will participate with the conventional lender in reviewing the applicant's credit worthiness. To avoid duplicating services and to reduce costs to the applicant, the Redevelopment Authority requests that any financial statements, credit reports, appraisals and other documents used by the conventional lender in making their loan determination be shared with the Authority. The Redevelopment Authority reserves the right to request additional information beyond that required by the conventional lender if necessary to facilitate a proper review of the loan application.

Procedures

The following outlines the roles and responsibilities of the applicant and the Redevelopment Authority in the application processing, construction management and leasing stages of the project.

Application and Funding Process

The Redevelopment Authority provides an explanation of program requirements to the property owner and makes a preliminary determination of eligibility. If the project meets the eligibility requirements of the program, the property owner will submit a Loan Application to the Redevelopment Authority along with the required \$250 application fee and will provide required URA notices to the tenants residing in the property of the proposed rehabilitation (if applicable).

The Redevelopment Authority staff with the property owner will inspect the property to determine the scope of work to be included in the project. The Redevelopment Authority will prepare a report for the property owner itemizing the work that must be completed to meet the standards of the Redevelopment Authority (referred to as the work write-up report). At the completion of the rehabilitation, the property must meet all aspects of the International Property Maintenance Code or the Building Code of the municipality in which the property is located, whichever is more stringent.

During the time that the work write-up is being prepared, the staff of the Redevelopment Authority will begin completing the environmental review process.

At the completion of the environmental review, the property owner will select a contractor to prepare work specifications and a cost estimate to complete the rehabilitation. The Redevelopment Authority will review the cost estimate, verify that the contractor has a valid Attorney General Homeowner Improvement license, all other licenses/certification required for federally funded projects, proof of general

liability insurance, and review the work specifications to insure compliance with the Inspection Report.

Upon approval of the work specifications and cost estimate, the Redevelopment Authority will issue a loan commitment specifying the amount of the loan and the terms and conditions of the loan.

The property owner will make the necessary arrangements to obtain the balance of funds needed for the project. The Redevelopment Authority will participate with the owner's lender in the loan underwriting process and will schedule its loan settlement in conjunction with the lender's loan settlement.

Construction Management

The property owner will be responsible for coordinating all construction activities and obtaining required building permits, inspection certificates, and certificates of occupancy. The owner will be responsible for providing the information to LCHRA.

The Redevelopment Authority will monitor construction activity on a regular basis to ensure quality and compliance with the work specifications. The Redevelopment Authority will notify the property owner of any problems encountered. The property owner will notify the Redevelopment Authority and is required to obtain written approval from the Redevelopment Authority for any changes in the scope of the work and requests for payment submitted by the contractor.

Leasing Completed Units

Tenants occupying the property at the time the property owner submits a Loan Application to the Redevelopment Authority, will be given the first opportunity to lease a rehabilitated unit in the project. The tenants must meet the income restrictions. These tenants would also be eligible for relocation services, and the landlord must comply with all regulations in the Uniform Relocation Act

The property owner will notify the Redevelopment Authority at least 70 days prior to the completion of the rehabilitation of any units that will be vacant.

Property owners have the option of leasing completed units to households with a Section 8 Housing Choice Voucher which will remove the need to collect any further income eligibility. If the tenant lacks a Section 8 Housing Choice Voucher, the Redevelopment Authority shall perform the income verification. The landlord must provide the Redevelopment Authority with documentation verifying the household income is determined to be eligible as a low- or moderate-income household. Documentation should include 2 months of most recent pay stubs for each adult (age 18+) household members, benefit statements for all household members from

agencies such as Social Security, Veteran's pay, pension, alimony, child support, etc. See appendix for income inclusions/exclusions.

After Rehabilitation-The Compliance Period

The property will be leased to low- and moderate-income tenants and remain affordable for a minimum of ten (10) years (Compliance Period), secured by a restrictive covenant. The restrictive covenant shall be enforced during the entire compliance period and remain in effect regardless of transfer of ownership or early payoff of the loan. Once the loan has been satisfied and the affordability compliance period has been met, the property owner will be released from further obligation to the Redevelopment Authority. The Redevelopment Authority reserves the right to periodically inspect the rehabilitated units and tenant files during the term of the loan for compliance with the loan documents.

Other Terms and Conditions

Property owners must also comply with the following federal requirements:

1. Conflict of Interest - Property owners must comply with the conflict-of-interest provisions at 24 CFR 570.611.
2. Non-discrimination - No property owner may discriminate based on race, color, religion, sex, national origin, familial status, age, disability, sexual orientation, or gender identity in accordance with 24 CFR 570.602.
3. Minority and Women Owned Businesses - Property owners are encouraged to solicit participation of contractors with disabilities, and female or minority owned business (certified by the Commonwealth of Pennsylvania.)
4. Historic Preservation Requirements- All properties over 50 years old must comply with the Section 106 Programmatic Agreement for the preservation of historical elements of all properties participating in the program.
5. Lead Based Paint Requirements - Property owners must comply with all requirements related to lead based paint at 24 CFR 570.608.
6. Architectural Barriers Act and the Americans with Disabilities Act-Property owners must comply with the requirements for accessibility at 24 CFR 570.614
7. Debarred or Suspended Contractors- Property owners may not use contractors that are debarred or suspended on SAM.gov. Contractors listed with an exclusion cannot be awarded contracts funded with federal dollars. The County must check the federal website at <https://www.sam.gov> to review the contractor and ensure that contracts are not awarded to debarred or suspended contractors.

8. Affirmative Marketing Plan- Property owners must rent all vacant units in accordance with the County's Affirmative Marketing Plan.
9. Compliance with Build America, Buy America Act. The Owner/Contractor must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates, are subject to BABA requirements, unless excepted by a waiver. For HUD-assisted projects, including Section 3 projects, where the threshold and criteria for Davis-Bacon Related Acts (DBRA) are met, the requirements of DBRA will apply.
10. Compliance with Section 3 requirements. At the completion of the job, prior to the last disbursement, the Owner/Contractor must provide the information attached to LCHRA regarding the contractors that completed the work at the property.
11. LCHRA reserves the right to request additional information from the Owner/Contractor to ensure that all federal requirements are met.

Any questions related to this Program, please contact the Department of Housing & Community Development, 717-394-0793.

Exhibit 5-1: Income Inclusions and Exclusions**24 CFR 5.609(b) and (c)**

Examples included in parentheses have been added to the regulatory language for clarification.

INCOME INCLUSIONS

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (2) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
- (4) The full amount of periodic amounts received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a **periodic amount (e.g., Black Lung Sick benefits, Veterans Disability, Dependent Indemnity Compensation, payments to the widow of a serviceman killed in action). See paragraph (13) under Income Exclusions for an exception to this paragraph;**
- (5) Payments in lieu of earnings, such as unemployment, disability compensation, worker's compensation, and severance pay, except as provided in paragraph (3) under Income Exclusions;
- (6) Welfare Assistance.
 - (a) Welfare assistance received by the family.
 - (b) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as

income shall consist of:

- (c) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
- (d) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.
- (7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling; and
- (8) All regular pay, special pay, and allowances of a member of the Armed Forces, except as provided in paragraph (7) under Income Exclusions.
- (9) For Section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 *et seq.*), from private sources, or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph "financial assistance" does not include loan proceeds for the purpose of determining income.
(Note: This paragraph also does not apply to a student who is living with his/her parents who are applying for or receiving Section 8 assistance.)

INCOME EXCLUSIONS:

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, except as provided in paragraph (5) under Income Inclusions;
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in 24 CFR 5.403;
- (6) The full amount of student financial assistance paid directly to the student or to the educational institution (see Income Inclusions (9), above, for students receiving Section 8 assistance);
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire (e.g., in the past, special pay included Operation Desert Storm);
- (8) (a) Amounts received under training programs funded by HUD (e.g., training received under Section 3);

- (b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of supplemental security income eligibility and benefits because they are set-aside for use under a Plan to Attain Self-Sufficiency (PASS);
 - (c) Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
 - (d) Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the owner, on a part-time basis, that enhances the quality of life in the project. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident-initiative coordination. No resident may receive more than one such stipend during the same period of time; or
 - (e) Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as a resident management staff person. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.
- (9) Temporary, nonrecurring, or sporadic income (including gifts);
 - (10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era. (Examples include payments by the German and Japanese governments for atrocities committed during the Nazi era);
 - (11) Earnings in excess of \$480 for each full-time student 18 years or older (excluding the head of household and spouse);
 - (12) Adoption assistance payments in excess of \$480 per adopted child;
 - (13) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump-sum amount or in prospective monthly amounts;
 - (14) Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
 - (15) Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
 - (16) Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the *Federal Register* and distributed to housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.

The following is a list of income sources that qualify for that exclusion:

- (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 [b]);
- (b) Payments to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058) (employment through AmeriCorps, Volunteers in Service to America [VISTA], Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions);
- (c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626[c]);
- (d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
- (e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624[f]);
- (f) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552[b]); (effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 [29 U.S.C. 2931], e.g., employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs, career intern programs, Americorps);
- (g) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04);
- (h) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court and the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);
- (i) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu);
- (j) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056[f]), e.g., Green Thumb, Senior Aides, Older American Community Service Employment Program;
- (k) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent*-product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
- (l) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);
- (m) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q);
- (n) Earned income tax credit (EITC) refund payments received on or after January 1, 1991, including advanced earned income credit payments (26 U.S.C. 32[j]);
- (o) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);
- (p) Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637[d]);

- (q) Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran (38 U.S.C. 1805);
- (r) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602); and
- (s) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931).

Section 3 benchmark: 25% of all labor hours must be performed by Section 3 workers and 5% of all labor hours must be performed by Targeted Section 3 workers.

Subrecipient: **Project:**

Project:

Project Dates:

(a) Definition of Section 3 Worker: 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; or
- (ii) The worker is employed by a Section 3 business concern; or
- (iii) The worker is a YouthBuild participant.

(i) is employed by a Section 3 business concern; or

(ii) Currently fits or when hired fit at least one of the categories, as documented within the past 5 years; **or**

 (1.) Living within the service area or the neighborhood of the project, as defined in 24 CFR 75.5; or

 (2.) A YouthBuild participant.

(i) At least 51% owned and controlled by low- or very low-income persons; or

(ii) Over 75% of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; **or**

(iii) A business at least 51% owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

Attachment D

Section 3 Business Concern Certification for Contracting

Instructions: Enter the following information and select the criteria that applies to certify your business' Section 3 Business Concern status.

Business Information

Name of Business _____

Address of Business _____

Name of Business Owner _____

Phone Number of Business Owner _____

Email Address of Business Owner _____

Preferred Contact Information

☐ Same as above

Name of Preferred Contact _____

Phone Number of Preferred Contact _____

Type of Business (select from the following options):

☐ Corporation

☐ Partnership

☐ Sole Proprietorship

☐ Joint Venture

Check ONE (1) of the following boxes below:

☐ At least 51 percent of the business is owned and controlled by low- or very low-income persons.

☐ At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

☐ Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers.

Business Concern Affirmation

I affirm that the above statements (on the frontside of this form) 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 Lancaster County Redevelopment 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 months of the date of signature

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

FOR ADMINISTRATIVE 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 YEARS.

The Lancaster County Redevelopment Authority

Section 3 Income Limits

Eligibility Guidelines

The worker's income must be at or below the amount provided below.

Individual Income Limits for Lancaster County

| Income Limits (1 Person) | FY2024 | FY2023 | FY2022 | FY2021 |
|-------------------------------------|---------------|---------------|---------------|---------------|
| Low Income Limits (80%) | \$58,800 | \$53,500 | \$50,550 | \$46,500 |

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

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 (eff after 11/30/2020) met at least one of the following categories as documented within the past five years:
 - ☐ Living within the service area or the neighborhood of the project defined as 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 (24 CFR 75).
 - ☐ A YouthBuild participant.

Attachment C

Section 3 Worker and Targeted Section 3 Worker Self-Certification

The purpose of HUD's Section 3 program is to provide employment, training and contracting opportunities to low-income individuals, particularly those 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 Targeted Section 3 Worker Status

A Section 3 worker seeking certification shall self-certify and submit this form to the recipient contractor or subcontractor, that the person is a Section 3 worker or Targeted Section 3 Worker as defined in 24 CFR Part 75.

Instructions: Complete the following to confirm your Section 3 worker or Targeted Section 3 Worker status.

Employee Name: _____

1. Are you a resident of public housing or a Housing Choice Voucher Holder (Section 8)? ☐ YES ☐ NO
2. Are you a resident of the Lancaster County? ☐ YES ☐ NO
3. In the field below, select the amount of individual income you believe you earn on an annual basis

- | | | |
|--|--|---|
| <input type="checkbox"/> Less than \$10,000 | <input type="checkbox"/> \$30,001 - \$40,000 | <input type="checkbox"/> More than \$60,000 |
| <input type="checkbox"/> \$10,001 - \$20,000 | <input type="checkbox"/> \$40,001 - \$50,000 | |
| <input type="checkbox"/> \$20,001 - \$30,000 | <input type="checkbox"/> \$50,001 - \$60,000 | |

Check one (1) of the following boxes:

I qualify as a:

- ☐ Section 3 Worker (as defined on page 3 of Section 3 Worker Certification Form)
- ☐ Targeted Section 3 Worker (as defined on pages 3 of Section 3 Worker Certification Form)

Employee Affirmation

I affirm that the above statements (on frontside of this form) 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: _____

FOR ADMINISTRATIVE USE ONLY

| | | |
|---|------------|-----------|
| Is the employee a Section 3 worker based upon their self-certification? | YES | NO |
|---|------------|-----------|

| | | |
|--|------------|-----------|
| Is the employee a Targeted Section 3 worker based upon their self-certification? | 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? _____

What was the date of hire? _____

EMPLOYERS MUST RETAIN THIS FORM IN THEIR SECTION 3 COMPLIANCE FILE FOR FIVE YEARS.

The Lancaster County Redevelopment Authority

Section 3 Income Limits

Eligibility Guidelines

The worker's income must be at or below the amount provided below for an individual (household of 1) regardless of actual household size.

Individual Income Limits for Lancaster County FY 2021

| Income Limits Category | FY 2021 Income Limits |
|--------------------------------------|------------------------------|
| Extremely Low Income Limits (30%) | 17,450 |
| Very Low Income Limits (50%) | 29,050 |
| Low Income Limits (80%) | 46,500 |

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

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:
 - Living within the service area or the neighborhood of the project, as defined in 24 CFR 75.5
 - A YouthBuild participant.

SECTION 3

Qualitative Efforts

24 CFR 75.25

PROJECT NAME:

If Developer/Contractor/Recipient does not meet the benchmarks but provides evidence that it has made qualitative efforts to provide low- and very low-income persons with employment and training opportunities, then the project will be considered compliant with Section 3, absent evidence to the contrary (i.e. evidence or findings obtained from a Section 3 compliance review).

- ☐ Outreach efforts to generate job applicants who are Public Housing Targeted Workers.
- ☐ Outreach efforts to generate job applicants who are Other Funding Targeted Workers.
- ☐ Direct, on-the job training (including apprenticeships).
- ☐ Indirect training such as arranging for, contracting for, or paying tuition for, off-site training.
- ☐ Technical training such as arranging for, contracting for, or paying tuition for, off-site training.
- ☐ Outreach efforts to identify and secure bids from Section 3 business concerns.
- ☐ Technical assistance to help Section 3 business concerns understand and bid on contracts.
- ☐ Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- ☐ Provided or connected residents with assistance in seeking employment, including drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.
- ☐ Held one or more job fairs.
- ☐ Provided or connected residents with supportive services that can provide direct services or referrals.
- ☐ Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.
- ☐ Assisted residents with finding childcare.
- ☐ Assisted residents to apply for/or attend community college or a four-year educational institution.
- ☐ Assisted residents to apply for or attend vocational/technical training.
- ☐ Assisted residents to obtain financial literacy training and/or coaching.
- ☐ Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- ☐ Provided or connected residents with training on computer use or online technologies.
- ☐ Other.
 - Specify:

Signature: _____

Company/Title:

Date:

Section 3 Labor Hours Tracking Form

Project Name: _____

Labor Hours Totals for All Companies

| Company Name | Total Labor Hours | Section 3 Worker Hours | | Targeted Section 3 Worker Hours | |
|--------------|-------------------|------------------------|------------|---------------------------------|------------|
| | | Number | Percentage | Number | Percentage |
| Company 1 | 0 | 0 | 0.0% | 0 | 0.0% |
| Company 2 | 0 | 0 | 0.0% | 0 | 0.0% |
| Company 3 | 0 | 0 | 0.0% | 0 | 0.0% |
| Company 4 | 0 | 0 | 0.0% | 0 | 0.0% |
| Company 5 | 0 | 0 | 0.0% | 0 | 0.0% |
| Company 6 | 0 | 0 | 0.0% | 0 | 0.0% |
| Company 7 | 0 | 0 | 0.0% | 0 | 0.0% |
| Company 8 | 0 | 0 | 0.0% | 0 | 0.0% |
| Company 9 | 0 | 0 | 0.0% | 0 | 0.0% |
| Company 10 | 0 | 0 | 0.0% | 0 | 0.0% |
| Total | 0 | 0 | 0.0% | 0 | 0.0% |

