



Sonoma County
Community Development Commission

1440 Guerneville Road,
Santa Rosa, CA 95403

**Housing Development &
Other Construction Projects
Information
for
Subrecipient Handbook**

**Countywide and Unincorporated Projects
City/County-Owned Public Facilities and Improvements
Affordable Housing Development
Home Rehabilitation**

Housing Development & Other Construction Projects

Table of Contents

(CDBG) Program Eligible Housing Development Activities	4
Use Of CDBG Funds In Mixed Income Housing Developments	5
<i>Ownership Housing Development</i>	5
<i>Rental Housing Development</i>	5
Steps to Release of Funds and Payment of Authorized Expenses.....	6
<i>Predevelopment Funds (CDBG funds only)</i>	6
<i>Site Acquisition (CDBG and HOME funds)</i>	6
Construction Project Information Signs	8
Home Match Obligation	9
Section 504 Requirements.....	10
<i>Removal of Physical Barriers</i>	10
<i>Provide Program Accessibility</i>	11
Davis-Bacon Process Outline	12
<i>I. Pre-Bid Stage</i>	12
<i>II. Bid Stage</i>	12
<i>III. Construction Stage</i>	12
<i>IV. Reimbursement</i>	13
<i>Key Points To Remember</i>	13
Making Davis-Bacon Work.....	13
Bid Packet	14
<i>Table Of Contents</i>	14
<i>I. Federal Requirements</i>	15
Federal Labor Standards Provisions	15
Statement of Applicable Wage Decision	21
<i>II. Prime And Subcontractor Certifications And Forms</i>	22
Form A-1 - Certification Of Understanding And Authorization	22
Form A-2 - Certification Of Understanding And Authorization	23
Form B - Certification Of Applicable Fringe Benefit Payments	24
Form C - Contractors Notification of Subcontracts Awarded	25
Form D – Classification / Prevailing Wage Sheet.....	26
Form E – Davis-Bacon Apprenticeship Training Verification & Certification	27
Certified Payroll Reports.....	28
Notification of No Work Performed.....	30
Section 3 Summary Report.....	31
Contract and Subcontract Activity	34

Sonoma County Community Development Block Grant

(CDBG) Program Eligible Housing Development Activities

Basic Eligible (housing) Activities that CDBG funds may finance (570.201):

- Acquisition of property.
- Disposition of real property originally acquired with CDBG funds (subject to public notice and program income requirements).
- Construction of site improvements to publicly owned land to enable the property to be used for housing development. (Land may transfer to private ownership after improvements are completed).
- Site clearance and demolition.
- Relocation assistance for permanently and temporarily relocated households, businesses, non-profit organizations, and farm operations.

Eligible rehabilitation and preservation activities (570.202):

- Eligible structures include privately owned buildings and improvements for residential purposes.
- Types of assistance:
 - Acquisition for the purpose of rehabilitating a residential structure.
 - Rehabilitation expenses
 - Installation of systems and equipment to increase energy and/or water efficiency of a structure
 - Connection to water distribution lines or local sewer collection lines.
 - Historic Preservation.
 - Removal of architectural barriers.
 - Lead based paint hazard evaluation and reduction.

Special Case: Community Based Development Organizations (570.204(a))

When a project satisfies the requirements for neighborhood revitalization, community economic development, or energy conservation, a designated Community Based Development Organization (CBDO) can use CDBG funds for:

- All of the activities listed above.
- Payment of a project's soft construction costs, including:
 - Direct project delivery costs such as architecture and engineering, appraisals, project management, building permit fees, etc.
 - "Special assessments", including one-time development impact fees for schools, parks, traffic improvements, etc., if 3 conditions are met (570.200(c)):
 1. Public improvements funded with the impact fees were or will be carried out in compliance with CDBG requirements including environmental, citizen participation and Davis-Bacon regulations.
 2. Installation of the public improvement meets a criterion for CDBG national objectives.
 3. CDBG beneficiary satisfies the requirements of 570.200(c)(2)(ii) re: use of CDBG funds to pay a special assessment on behalf of all properties owned and occupied by low-income persons and, when CDBG funds are available, by moderate-income persons.
- Construction of new affordable housing (including site improvements on privately-owned land).

NOTE: Currently, only Burbank Housing Development Corporation is a designated CBDO in Sonoma County's CDBG Program.

Because the County sets aside the 20% limit of each year's CDBG allocation for the Commission's administration of the CDBG program, a subrecipient may not obtain CDBG funds for a project's general planning and administrative costs that otherwise would be eligible under 570.205 and 570.206. (570.200(g) and 570.204(b)(4)).

Revised 12/5/05

Use Of CDBG Funds In Mixed Income Housing Developments

In all cases, the borrower of CDBG funds for housing development must be a Section 501(c)(3) non-profit entity or a local government jurisdiction. The non-profit or governmental entity may assign the CDBG loan to another entity, including a for-profit, only after completing the CDBG-financed work and expending the CDBG funds.

Ownership Housing Development

CDBG funds may only be used to pay for otherwise eligible common costs for a mixed-income ownership development if all single-family units, one unit in each duplex, and at least 51% of the units in each structure containing three or more units in the development are affordable to and purchased by low-income households. When the developer is a Community Based Development Organization (CBDO) and the project is a qualified CBDO project, CDBG-eligible common costs include predevelopment costs, site acquisition, on-site improvements while the site is in public ownership, construction of all units under a single contract, and off-site improvements. When the developer is not a CBDO or the project is not a qualified CBDO project, predevelopment costs and unit construction under a single contract would be ineligible expenses.

If the project will not meet the income-eligibility criteria, the developer may not use CDBG funds for any expenses that are incurred for the overall development. In that event, the developer could use the CDBG funds only to pay a portion of the costs to construct the individual structures that do meet these income-eligibility requirements, if the developer is designated a CBDO and the project is a qualified CBDO project. If CDBG funds are used to construct the structures, the developer should enter into a separate construction contract for the eligible, CDBG-assisted units.

Rental Housing Development

CDBG funds may only be used to pay for otherwise eligible common costs for a rental housing development if the development is built on a single parcel or on contiguous parcels under common ownership and management and at least 51% of the units in the development are reserved for and affordable to low-income households. When the developer is a Community Based Development Organization (CBDO) and the project is a qualified CBDO project, CDBG-eligible common costs include predevelopment costs, site acquisition, on-site improvements while the site is in public ownership, and off-site improvements. When the developer is not a CBDO or the project is not a qualified CBDO project, predevelopment costs would be an ineligible expense.

If the development will not meet the income-eligibility criteria, the developer may not use CDBG funds for any expenses that are incurred for the overall development. In that event, the developer could use the CDBG funds only to pay a portion of the costs to construct the eligible residential structures under separate construction contracts, if the developer is a designated CBDO and it's a qualified CBDO project.

NOTE: CDBG regulations permit the Commission to lend CDBG funds to rental housing developments in which fewer than 51% of the units will be reserved for, affordable to, and rented to low-income households (80% of median income) when the project will satisfy the 3 following conditions:

1. The project is a non-elderly, multifamily development; and
2. At least 20% of the units will be reserved for, affordable to, and rented to low income households; and
3. The CDBG funds as a percentage of the total development cost does not exceed the CDBG funding as a percentage of the total number of units.

Although the CDBG regulations permit CDBG assistance to housing developments with fewer than 51% of the units affordable to low-income households, such housing is very unlikely to be competitive in Sonoma County's application process.

Housing Development & Other Construction Projects

HOME Program & Community Development Block Grant (CDBG) Funds

Steps to Release of Funds and Payment of Authorized Expenses

Predevelopment Funds (CDBG funds only)

- HUD and County execute Federal Assistance Subrecipient Agreement.
- Borrower submits documentation necessary to complete Environmental Review Record by October 1 (normally, Environmental Assessment for housing development and other earth-disturbing activities).
- CDC publishes FONSI/RROF (if EA prepared)
- If FONSI/RROF published:
 1. After 15-day local comment period, Commission submits form 7015.15 to HUD.
 2. After 15-day review period, HUD issues Authority to Use Grant Funds to Commission.
 3. Commission sends Borrower copy of Authority to Use Grant Funds.
- Commission prepares Funding Agreement for Use of Federal Program Funds and sends to Borrower to execute. Agreement specifies reimbursable predevelopment expenses.
- Borrower returns signed Funding Agreement for Use of Federal Program Funds to Commission and submits certificate of insurance for required liability, automobile and workers compensation insurance.
- Borrower satisfies all other prerequisites to loan approval and disbursal of funds.
- Commission submits agenda item and resolution for Board approval of CDBG loan terms at least 3 weeks prior to scheduled date of escrow closing. (In the event that the Board waives this requirement for loans conforming to the terms set forth in the CDBG Policies, this action would be required only for non-conforming loans.)
- At least 2 weeks prior to scheduled date of escrow closing, Borrower submits for County Counsel review copies of promissory note, deed of trust and subordination agreement for all loans Borrower requests to be senior to CDBG loan.
- CDC submits loan documents and escrow instructions into escrow.
- Predevelopment loan closes and CDC receives certified copies of all documents submitted into escrow including closing statement.
- CDC receives title insurance policy for amount of Commission loan(s).
- Borrower submits reimbursement request(s).
- Commission reviews reimbursement request(s) to confirm that expenses are reimbursable and prepares check for release on the Friday after the Monday on which staff submitted a check request.

DISCLAIMER: These procedures describe the general process for obtaining release of funds and payment of authorized expenses. For a particular loan or transaction, additional steps may be necessary.

Site Acquisition (CDBG and HOME funds)

- HUD and County execute Federal Assistance Agreement.
- Borrower submits documentation necessary to complete Environmental Review Record completed by October 1 (normally, Environmental Assessment for construction of housing and other earth-disturbing activities).
- If Environmental Assessment prepared, Commission publishes FONSI/RROF.
 1. After 15-day local comment period, Commission submits form 7015.15 to HUD.
 2. After 15-day review period, HUD issues Authority to Use Grant Funds.

3. Commission sends Borrower copy of Authority to Use Grant Funds.

- Borrower submits for Commission review and approval a copy of the purchase agreement and such documentation, as Commission requires confirming Borrower's compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended and all other applicable CDBG and/or HOME requirements.
- Borrower submits appraisal supporting purchase price of site and post-construction appraisal of project. If the purchase price exceeds the appraised value, the Commission will seek HUD approval of the purchase price as the "reasonable cost" of the property.
- Borrower submits documentation from other lenders confirming that all other site acquisition financing is secured, their requests for changes to Commission's loan documents, and their proposed seniority of the Commission's loan(s).
- Commission confirms that CDBG and/or HOME loan(s) will be fully secured at time of recording, approves a recorded order of seniority for the CDBG and/or HOME loans, and responds to requested changes to Commission's loan documents.
- For HOME Loan, Commission prepares federal subsidy layering analysis of project financing to confirm federal funding not excessive.
- Commission prepares Funding Agreement for Use of Federal Program Funds and/or HOME Developer Agreement and sends to Borrower to execute. Agreements specify eligible site acquisition costs; Funding Agreement for Use of Federal Program Funds specifies that Borrower must complete the site acquisition within 12 months of CDBG funding award.
- Borrower returns signed signature pages from Funding Agreement for Use of Federal Program Funds to Commission and submits certificate of insurance for required liability, automobile and workers compensation insurance.
- Commission executes signature pages from Funding Agreement for Use of Federal Program Funds and sends fully executed signature page from each Agreement to Borrower. (The HOME Funding Agreement for Use of Federal Program Funds must be fully executed within 12 months of HUD's notification of the HOME funding award to County.)
- For HOME funds, Commission completes project set-up in HUD IDIS system.
- At least one week prior to the submission of the Board agenda for approval of the loan terms, Borrower satisfies all other prerequisites to loan approval and disbursement of funds.
- Commission submits agenda item and resolution for Board approval of loan terms at least 3 weeks prior to scheduled date of escrow closing. (In the event that the Board waives this requirement for loans conforming to the terms set forth in the CDBG and/or HOME Policies, this action would be required only for non-conforming loans.)
- At least 2 weeks prior to scheduled date of escrow closing, Borrower submits for County Counsel review copies of promissory note, deed of trust and subordination agreement for all loans Borrower requests to be senior to CDBG or HOME loan.
- Following Board approval of the CDBG and/or HOME loan(s) and approximately 5 working days prior to close of escrow, Commission requests funds from HUD.
- Commission obtains certified check in amount of site acquisition loan and submits cashier's check, loan documents, and escrow instructions into escrow at title company administering the escrow for the site acquisition.
- Site acquisition closes and Commission receives certified copies of all documents submitted into escrow including closing statement.
- Commission receives title insurance policy for amount of Commission loan(s).

DISCLAIMER: These procedures describe the general process for obtaining release of funds and payment of authorized expenses. For a particular loan or transaction, additional steps may be necessary.

Construction Project Information Signs

Before any major physical construction work readily visible to highway users is started on this contract, the Contractor shall furnish and erect two (2) Construction Project Information signs at the locations shown on the plans.

The sign letters, border and Department's construction logos shall conform to the colors (non-reflective) and details shown on the plans, and shall be on a white background (non-reflective). The colors blue and orange shall conform to PR Color Number 3 and Number 6, respectively, as specified in the Federal Highway Administration's Color Tolerance Chart.

The sign message to be used for fund types shall consist of the following in the order shown:

Sonoma County Community Development Commission Funds

- The letter sizes to be used shall be as shown on the plans. The information shown on the signs shall be limited to that shown on the plans.
- The signs shall be kept clean and in good repair by the contractor.
- Upon completion of the work, the signs shall be removed and disposed of outside the highway right of way in conformance with the provisions in Section 7-1.13 of the Standard Specifications.
- Full compensation for furnishing, erecting, maintaining, and removing and disposing of the construction project information signs shall be considered as included in the contract unit price paid for construction project information signs and no additional compensation will be allowed therefore.

Home Match Obligation

The expenditure of HOME funds will incur a match obligation equal to 25% of the amount of the HOME funds expended. The Commission looks to each project receiving HOME funds from the Commission to generate eligible match funds of at least 25% of the amount of the HOME funds committed to the project. For example, a \$100,000 commitment of HOME funds to a project would generate a match obligation of \$25,000. The match obligation must be satisfied during the same fiscal year in which the HOME funds are expended.

Sources of match can include:

1. Grants from a non-federal source, except developer equity.
2. Present value of the interest subsidy for loans made at rates below market.
3. Value of deferred, reduced or waived taxes, fees or charges.
4. Value of land or real property donated to a project except as disallowed under HOME regulations.
5. Cost of infrastructure improvements associated with HOME projects not paid for with federal resources.
6. The reasonable value of donated site improvements and construction materials not acquired with federal funds.
7. The reasonable rental value of the donated use of site preparation or construction equipment.
8. Value of donated or voluntary labor or professional services in connection with the provision of affordable housing.

Applicants should review with the Commission any proposed match source to determine its eligibility.

Section 504 Requirements

Removal of Physical Barriers

For new construction of multi-family projects, a minimum of 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2%, at a minimum, of the units (but not less than one unit) must be accessible to individuals with sensory impairments. The total number of units in a HOME-assisted project, regardless of whether they are all HOME- or CDBG-assisted, is used as the basis for determining the minimum number of accessible units. Also, in a project where not all the units are HOME-assisted, the accessible units may be either HOME-assisted or non-HOME assisted. In a CDBG-assisted development, all units are considered CDBG assisted.

The Section 504 definition of substantial rehabilitation for multifamily projects includes construction in a project with 15 or more units for which the rehabilitation costs will be 75 percent or more of the replacement cost. In such developments, a minimum of 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent, at a minimum, (but not less than one unit) must be accessible to individuals with sensory impairments. As in the case of new construction, the total number of units in a HOME-assisted project, regardless of whether they are all HOME-assisted, is used as the basis for determining the minimum number of accessible units, and, in a project where not all the units are HOME-assisted, the accessible units may be either HOME-assisted or non-HOME-assisted.

When rehabilitation less extensive than substantial rehabilitation is undertaken in projects of 15 or more units, alteration must, to the maximum extent feasible, make the units accessible to and usable by individuals with handicaps, until a minimum of 5 percent of the units (but not less than one unit) are accessible to people with mobility impairments. For this category of rehab, the additional 2 percent of unit's requirement for individuals with sensory impairments does not apply. To the maximum extent feasible, alterations to common spaces must make those areas accessible. The same HOME Program specific guidance provided above applies to this category of rehab as well.

To the maximum extent feasible, accessible units must be distributed throughout the projects and sites and must be available in a sufficient range of sizes and amenities so as not to limit choice.

Owners and managers of projects with accessible units must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with handicaps. They must also take reasonable non-discriminatory steps to maximize use of such units by eligible individuals.

When an accessible unit becomes vacant, before offering the unit to a non-handicapped individual, the owner/manager should offer the unit; first, to a current occupant of the project requiring the accessibility feature; and second, to an eligible qualified applicant on the waiting list requiring the accessibility features.

The standards for ensuring compliance with Section 504 are the Uniform Federal Accessibility Standards, although deviations are permitted in specific circumstances.

Provide Program Accessibility

Individuals with handicaps must be able to find out about, apply for, and participate in federally assisted programs or activities.

Special communication systems may be needed for outreach and ongoing communication (e.g., Telecommunications Devices for the Deaf (TDD), materials on tape or in Braille, accessible locations for activities and meetings.)

Policies and procedures must be non-discriminatory (e.g., housing providers may not:

- 1) Ask people with handicaps questions not asked of all applicants,
- 2) Screen individuals with handicaps differently or
- 3) Assess an individual's ability to live independently).

Davis-Bacon Process Outline

Federal Labor Standards

I. Pre-Bid Stage

- A. Notify Commission staff at the onset of bid document preparation. The requisite forms, current Federal wage decision and samples of required contract language will be provided for inclusion in the bid documents.
- B. Submit draft copy of the bid documents to Commission staff for review prior to publication, allowing sufficient time (two weeks) for review and revision, if necessary. The contract and bid documents must contain the Federal Labor Standard Provisions and current wage decision, as well as specific language regarding the federal prevailing wage rates and the provisions of the Subrecipient agreement.
- C. Notify the Commission confirming the bid opening date at least two weeks in advance. Commission staff will “lock in” the wage rate applicable to the project ten (10) days before the bid opening. A copy of the applicable wage rate will provided for issue as an addendum.

II. Bid Stage

- A. Provide the Commission proof of publication of the bid solicitation and a copy of the bid results. Indicate which contractor is to be awarded the contract. Commission staff will verify that the contractor is not ineligible or debarred from Federal contracts.
- B. Provide to the Commission a copy of the executed construction contract.
- C. Schedule a pre-construction conference to be attended by Commission and project management staff, and the prime and any major subcontractors prior to the commencement of construction.
- D. Obtain “one-time” forms from the prime contractor before start of work and forward to the Commission.

III. Construction Stage

- A. Obtain “one-time” forms from the subcontractor before start of work and forward to the Commission.
- B. Obtain weekly Certified Payroll Reports (CPRs) for contractors at all tiers from the prime contractor. It is the prime contractor’s responsibility to collect the CPRs from all subcontractors. Review the CPRs for payment of correct wage and fringe benefit amounts, copy for record and forward the originals to the Commission. All CPRs should be obtained and submitted to the Commission on a timely basis.
- C. Commission staff will perform on-site wage-compliance monitoring during the course of construction.

IV. Reimbursement

- A. The Commission cannot provide reimbursement for construction expenses until all federal labor standards requirements are fulfilled. Compliance with the process outlined above will ensure timely disbursement of funds.

Key Points To Remember

- All bid documents must be reviewed and approved by the Commission prior to publication.
- The wage determination applicable to the project must be “locked in” by the Commission ten days before the bid opening.
- All laborers and mechanics working on the project must be paid wages equal to or greater than those listed in the applicable federal wage determination.
- Certified Payroll Reports must be obtained and submitted to the Commission on a timely basis.

Making Davis-Bacon Work

A Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects - (06/2006)

Please refer to CDC website under Links to Additional Information

Web Address - <http://www.hud.gov/offices/adm/hudclips/guidebooks/HUD-LR-4812/4812-LR.pdf>



Sonoma County Community Development Commission

Bid Packet

This project is subject to Davis-Bacon and Related Acts and as such, all contractors, by submitting a bid, agree to abide by all applicable rules and regulations. The Labor Standards provisions are an integral part of the performance of this contract. The prime (or general) contractor is responsible for compliance by contractors at all tiers, including the weekly submissions of certified payroll reports. Completed weekly payroll reports from subcontractors should be forwarded to the prime/general contractor for submittal to the Community Development Commission, County of Sonoma. The prime/general contractor must also ensure timely submission of all required certifications listed below.

Table Of Contents

I. Federal Requirements

Federal Labor Standards Provisions (HUD 4010)
Statement of applicable Wage Decision
General Wage Decision

II. Prime and Subcontractor Certifications And Forms

FORM A-1 Certification of Understanding & Authorization (Prime contractor)
FORM A-2 Certification of Understanding & Authorization (all Subcontractors)
FORM B Certification of Applicable Fringe Benefit Payments (all contractors)
FORM C Contractors Notification of Subcontracts Awarded (One before commencement of work and one prior to final payment request)
FORM D Classification/Prevailing Wage Sheet (all contractors)
FORM E Apprenticeship Verification: only if applicable (all contractors)

III. Forms for Periodic Reports

FORM WH-347 Certified Payroll Reports: (all contractors – an equivalent form may be used)
FORM F Notification of No Work Performed. This form is necessary only if Certified Payroll Reports are not consecutively numbered.

I. Federal Requirements

Federal Labor Standards Provisions

U.S. Department of Housing and Urban Development
Office of Labor Relations

form HUD-4010 (07/2003) ref. Handbook 1344.1 Previous edition is obsolete

Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section I(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under 29 CFR 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

- (1)** The work to be performed by the classification requested is not performed by a classification in the wage determination; and
- (2)** The classification is utilized in the area by the construction industry; and
- (3)** The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by

HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of

Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section I(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR 5.5 (a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by subparagraph A.3.(ii)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment,

advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to

utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by references in this contract.

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 of this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration....makes, utters or publishes any statement knowing the same to be false..... shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable only where the amount of the prime contract exceeds \$100,000. As used in this paragraph, the terms “laborers” and “mechanics” include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable only where the amount of the prime contract exceeds \$100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, 40 USC 3701 et seq.

(3) The Contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The Contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

Statement of Applicable Wage Decision

The following Federal Wage Decision is included as general information. It was the most current wage decision available at the time these bid documents were assembled. The Federal Wage Decision is updated periodically by the U.S. Department of Labor. The wage decision applicable for this project will be locked in 10 days prior to the bid opening date, and will be made part of the contract by addendum.

Contact the Community Development Commission, at the following address
if you have any questions regarding the applicable wage decision:

Sonoma County Community Development Commission
1440 Guerneville Road
Santa Rosa, CA 95403-4107

(707) 565-7514

II. Prime And Subcontractor Certifications And Forms

FORM A-1
To be completed by
Prime Contractor

Form A-1 - Certification of Understanding and Authorization

PROJECT NAME: _____

PROJECT NUMBER: _____

This is to certify that the principals and the authorized payroll officer, below, have read and understand the Minutes of the Preconstruction Conference and the Labor Standards clauses pertaining to the subject project.

The following person(s) is designated as the payroll officer for the undersigned and is authorized to sign the Statement of Compliance, which will accompany our weekly certified payroll reports for this project:

Payroll Officer (Name)

Payroll Officer (Signature)

IRS Employer Identification Number

Contractor/Subcontractor

By _____
Signature

Title

Phone Number

Date

Form A-2 - Certification of Understanding and Authorization

PROJECT NAME: _____

PROJECT NUMBER: _____

A copy of the Minutes of the Preconstruction Conference and the Labor Standards clauses pertaining to the project are on file with the Prime Contractor. A copy of the Federal Wage Decision applicable to this project is also available on file with the Prime Contractor.

The following person(s) is designated as the payroll officer for the undersigned and is authorized to sign the Statement of Compliance which will accompany our weekly-certified payroll reports for this project:

Payroll Officer (Name)

Payroll Officer (Signature)

IRS Employer Identification Number

Contractor/Subcontractor

By _____
Signature

Title

Phone Number

Date

Form D – Classification / Prevailing Wage Sheet

Form D
To be completed by
Prime Contractor only

Prime Contractor and Sub Contractors: Please complete this form in its entirety by stating the name of the project, the Federal General Wage Decision Number, Modification Number, and publication date found on the wage decision locked in for this project. List all trade classification likely to be used on this project.

Note that there are no exceptions to the prevailing wage requirements for the relatives or for self-employed laborers and mechanics.

Project Name: _____

General Decision CA # _____ Modification # _____ Publication Date: _____

Classification Title	Classification Number	Wage Rate	Fringe Benefit	Total

Contractor / Subcontractor Company Name

Phone Number

Authorized Signature

Date

Form E – Davis-Bacon Apprenticeship Training Verification & Certification

The only workers who can be paid less than the wage rate on the wage decision for their work classification are “apprentices” and “trainees” registered in approved apprenticeship or training programs, including Step-Up apprenticeship programs designed for Davis-Bacon construction work. Approved programs are those that have been registered with the DOL, Bureau of Apprenticeship and Training (BAT) or a BAT-recognized State Apprenticeship Agency (SAC). Apprentices and trainees are paid wage rates in accordance with the wage schedule in the approved program, usually expressed as a series of percentages tied to the amount of time spent in the program.

Probationary Apprentice: Can be paid as an apprentice if the DOL or SAC certified that the person is eligible for probationary employments as an apprentice.

Pre-Apprentice: A trainee that is not registered in a program and who hasn’t been DOL or SAC certified for probationary apprenticeship is NOT considered to be an “apprentice” and must be paid the full journeyman’s rate on the wage decision for the classification of work they perform.

Documentation of registration must be attached. Please provide a copy of the union dispatch letter of other approved program membership.

Name of Union or Training Program

Telephone

Address

Fax

Contact Name / Position

Email

I certify that I have read, understand and will abide by the above requirements.

Authorized Company Official Name

Title

Authorized Signature

Date

Apprentice (s) to be employed on this project:

<u>Social Security #</u>	<u>Name</u>	<u>Wage Rate</u>	<u>% Journey Rate</u>	<u>Date Registered</u>

Certified Payroll Reports

U.S. Department of Labor
Employment Standards Administration
Wage and Hour Division

PAYROLL

(For Contractor's Optional Use; See Instructions, Form WH-347 Inst.)

Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

Form WH-347

Names of Contractor Or Subcontractor

Address

OMB No: 1215-0149
Expires: 04/0309
Revised: 04/06

Payroll No

For Week Ending

Project and Location

Project or Contract No

(1) Names, Address and Social Security Number of Employee	(2) No of withholding exemptions	(3) Work Classification	OT or ST.	(4) Day and Date							(5) Total Hours	(6) Rate of Pay	(7) Gross Amount Earned	(8) Deductions					(9) Net Wages paid for week
				Hours Worked Each Day										FICA	Withholding Tax	Other	Total Reductions		
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The Copeland Act (40 U.S.C. 3145) requires contractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) Regulations 29 CFR Part 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. Compliance with these requirements is mandatory. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

We estimate that it will take an average of 56 minutes to complete this collection of information, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection of information, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, ESA, U.S. Department of Labor, Room S3502, 200 Constitution Avenue, N.W. Washington, D.C. 20210.

Date

I, _____
(Name of Signatory Party) (Title)

Do hereby state:

(1) That I pay or supervise the payment of the persons employed by

_____ On the _____
(Contractor or Subcontractor)
; that during the payroll period commencing on the _____
(Building or Work)

Day of _____ And ending the _____ Day of _____
All person employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said

_____ From the full _____
(Contractor or Subcontractor)

Weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 CFR Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948; 63 Stat. 108; 72 Stat. 967; 76 Stat. 357; 40 U.S.C. 276c), and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained I any wage determination incorporated into the contract; that the classification set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in the bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United State Department of Labor, or if no such recognized agency exists in State, are registered with the Bureau of Apprenticeship and Training, United States Departmental of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

- in addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in Section 4(c).

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

- Each laborer or mechanics listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, excepts as noted in Section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)

EXPLANATION

EXCEPTION (CRAFT)	EXPLANATION

Remarks:

NAME AND TITLE	SIGNATURE

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 19 AD SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.

Notification of No Work Performed

There may be instances where your firm has no workers on this project for an entire workweek. This form may be used to communicate that fact.
(NOTE: If payrolls are numbered sequentially, this form is not necessary)

Project Name: _____

Contractor Name: _____

Payroll Number: _____

Week Ending: _____

I do hereby state that I pay or supervise the payment of employees of the above-mentioned contractor and that no construction workers spent time in this project for the week identified above.

Name and Title

Signature

Phone Number

Date

Part II: Contracts Awards

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. Total number of Section 3 businesses receiving construction contracts	
2. Non-Construction Contracts:	
A. Total dollar amount all non-construction contracts awarded on the project/ activity	\$
B. Total dollar amount all 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 governmental 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 with 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 it 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 effort to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as a 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-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

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.

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

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

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 such that 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.

Contract and Subcontract Activity

US Department of Housing and Urban Development

OMB Approval No: 2535-0117 (exp. 12/31/2006)

Public Reporting Burden for this collection of information is estimated to average .50 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 information is voluntary. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB Control Number.

Executive Order 12421 dated July 14, 1983, directs the Minority Business Development Plans shall be developed by each Federal Agency and that these annual plans shall establish minority business development objectives. The information is used by HUD to monitor and evaluate MBE activities against the total program activity and the designated minority business enterprise (MBE) goals. The Department requires the information to provide guidance and oversight for programs for the development of minority business enterprise concerning Minority Business Development. If the information is not collected HUD would not be able to establish meaningful MBE goals nor evaluate MBE performance against these goals. While no assurances of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Privacy Act Notice - The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. It will not be disclosed or released outside the United States Department of Housing and Urban Development without your consent, except as required or permitted by law.

1. Grantee/Project Owner/Developer/Sponsor/Builder/Agency				Check if: <input type="checkbox"/> PHA <input type="checkbox"/> IHA		2. Location (City, State, ZIP Code)													
3a. Name of Contact Person		3b. Phone Number (Including Area Code)		4. Reporting Period <input type="checkbox"/> Oct. 1 - Sept. 30 (Annual-FY)		5. Program Code (Not applicable for CPD programs.) See explanation of codes at bottom of page. Use a separate sheet for each program code.		6. Date Submitted to Field Office											
Grant/ Project # or HUD Case # or other Identification of property, subdivision, dwelling unit, etc. 7a.	Amount of Contract or Subcontract 7b.	Type of Trade Code 7c.	Contractor or Subcontractor Business Racial/Ethnicity Code 7d.	Woman Owned Business (Yes or No) 7e.	Prime Contractor Identification (ID) Number 7f.	Sec 3 7g.	Subcontractor Identification (ID) Number 7h.	Sec 3 7i.	Contractor/ Subcontractor Name and Address 7j.										
									Name	Street	City	State	Zip						

<p>CPD:</p> <p>1 = New Construction 2 = Education / Training 3 = Other</p>	<p><u>7c: Type of Trade Codes:</u> Housing/ Public Housing</p> <p>1 = New Construction 2 = Substantial Rehab 3 = Repair 4 = Service 5 = Project Mangt.</p> <p>6 = Professional 7 = Tenant Services 8 = Education / Training 9 = Arch/ Engrg Appraisal 0 = Other</p>	<p><u>7d: Racial/ Ethnic Codes:</u></p> <p>1 = White Americans 2 = Black Americans 3 = Native Americans 4 = Hispanic Americans 5 = Asian/ Pacific Americans 6 = Hasidic Jews</p>
<p><u>5: Program Codes</u> (Complete for Housing and Public and Indian Housing programs only):</p> <p>1 = All insured, including Sec 8 2 = Flexible Subsidy 3 = Sect 8 Noninsured, Non-HFDA 4 = Insured (Management)</p> <p>5 = Section 202 6 = HUD – Held (Management) 7 = Public/ Indian Housing</p>		

<p>This report is to be completed by grantees, developers, sponsors, builders, agencies, and/or project owners for reporting contract and subcontract activities of \$10,000 or more under the following programs: Community Development Block Grants (entitlement and small cities); Urban Development Action Grants; Housing Development Grants; Multifamily Insured and Noninsured; Public and Indian Housing Authorities; and contracts entered into by recipients of CDBG rehabilitation assistance.</p> <p>Contracts/subcontracts of less than \$10,000 need be reported only if such contracts represent a significant portion of your total contracting activity. Include only contracts executed during this reporting period.</p> <p>This form has been modified to capture Section 3 contract data in columns 7g and 7i. Section 3 requires that the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. Recipients using this form to report Section 3 contract data must also use Part I of form HUD-60002 to report employment and training opportunities data. Form HUD-2516 is to be completed for public and Indian housing and most community development programs. Form HUD-60002 is to be completed by all other</p>	<p>HUD programs including State administered community development programs covered under Section 3.</p> <p>A Section 3 contractor/subcontractor is a business concern that provides economic opportunities to low- and very low-income residents of the metropolitan area (or nonmetropolitan county), including a business concern that is 51 percent or more owned by low- or very low-income residents; employs a substantial number of low- or very low-income residents; or provides subcontracting or business development opportunities to businesses owned by low- or very low-income residents. Low- and very low-income residents include participants in Youthbuild programs established under Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act.</p> <p>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.</p> <p>Low-income persons mean families (including single persons) whose incomes do not exceed 80 per centum 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 per centum</p>	<p>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 means low-income families (including single persons) whose incomes do not exceed 50 per centum of the median family 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 50 per centum 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.</p> <p>Submit two (2) copies of this report to your local HUD Office within ten (10) days after the end of the reporting period you checked in item 4 on the front.</p> <p>Complete item 7h. only once for each contractor/subcontractor on each semi-annual report.</p> <p>Enter the prime contractor's ID in item 7f. for all contracts and subcontracts. Include only contracts executed during this reporting period. PHAs/IHAs are to report all contracts/subcontracts.</p>
<p>Community Development Programs</p> <p>1. Grantee: Enter the name of the unit of government submitting this report.</p> <p>3. Contact Person: Enter name and phone of person responsible for maintaining and submitting contract/subcontract data.</p> <p>7a. Grant Number: Enter the HUD Community Development Block Grant Identification Number (with dashes). For example: B-32-MC-25-0034. For Entitlement Programs and Small City multi-year comprehensive programs, enter the latest approved grant number.</p> <p>7b. Amount of Contract/Subcontract: Enter the dollar amount rounded to the nearest dollar. If subcontractor ID number is provided in 7f, the dollar figure would be for the subcontract only and not for the prime contract.</p> <p>7c. Type of Trade: Enter the numeric codes which best indicates the contractor's/ subcontractor's service. If subcontractor ID number is provided in 7f., the type of trade code would be for the subcontractor only and not for the prime contractor. The "other" category includes supply, professional services and all other activities except construction and education/training activities.</p> <p>7d. Business Racial/Ethnic/Gender Code: Enter the numeric code which indicates the racial/ethnic /gender character of the owner(s) and controller(s) of 51% of the business. When 51% or more is not owned and controlled by any single racial/ethnic/ gender category, enter the code which seems most appropriate. If the subcontractor ID number is provided, the code would apply to the subcontractor and not to the prime contractor.</p> <p>7e. Woman Owned Business: Enter Yes or No.</p> <p>7f. Contractor Identification (ID) Number: Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of HUD funds. Note that the Employer (IRS) Number must be provided for each contract/subcontract awarded.</p> <p>7g. Section 3 Contractor: Enter Yes or No.</p> <p>7h. Subcontractor Identification (ID) Number: Enter the Employer (IRS) Number of the subcontractor as the unique identifier for each subcontract awarded from HUD funds. When the subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be provided.</p> <p>7i. Section 3 Contractor: Enter Yes or No.</p> <p>7j. Contractor/Subcontractor Name and Address: Enter this information for each of the firm receiving contract/subcontract activity only one time on each report for each firm.</p>	<p>Multifamily Housing Programs</p> <p>1. Grantee/Project Owner: Enter the name of the unit of government, agency or mortgagor entity submitting this report.</p> <p>3. Contact Person: Same as item 3 under CPD Programs.</p> <p>4. Reporting Period: Check only one period.</p> <p>5. Program Code: Enter the appropriate program code.</p> <p>7a. Grant/Project Number: Enter the HUD Project Number or Housing Development Grant or number assigned.</p> <p>7b. Amount of Contract/Subcontract: Same as item 7b. under CPD Programs.</p> <p>7c. Type of Trade: Same as item 7c. under CPD Programs.</p> <p>7d. Business Racial/Ethnic/Gender Code: Same as item 7d. under CPD Programs.</p> <p>7e. Woman Owned Business: Enter Yes or No.</p> <p>7f. Contractor Identification (ID) Number: Same as item 7f. under CPD Programs.</p> <p>7g. Section 3 Contractor: Enter Yes or No.</p> <p>7h. Subcontractor Identification (ID) Number: Same as item 7h. under CPD Programs.</p> <p>7i. Section 3 Contractor: Enter Yes or No.</p> <p>7j. Contractor/Subcontractor</p>	<p>Public Housing and Indian Housing Programs</p> <p>PHAs/IHAs are to report all contracts/subcontracts. Include only contracts executed during this reporting period.</p> <p>1. Project Owner: Enter the name of the unit of government, agency or mortgagor entity submitting this report. Check box as appropriate.</p> <p>3. Contact Person: Same as item 3 under CPD Programs.</p> <p>4. Reporting Period: Check only one period.</p> <p>5. Program Code: Enter the appropriate program code.</p> <p>7a. Grant/Project Number: Enter the HUD Project Number or Housing Development Grant or number assigned.</p> <p>7b. Amount of Contract/Subcontract: Same as item 7b. under CPD Programs.</p> <p>7c. Type of Trade: Same as item 7c. under CPD Programs.</p> <p>7d. Business Racial/Ethnic/Gender Code: Same as item 7d. under CPD Programs.</p> <p>7e. Woman Owned Business: Enter Yes or No.</p> <p>7f. Contractor Identification (ID) Number: Same as item 7f. under CPD Programs.</p> <p>7g. Section 3 Contractor: Enter Yes or No.</p> <p>7h. Subcontractor Identification (ID) Number: Same as item 7h. under CPD Programs.</p> <p>7i. Section 3 Contractor: Enter Yes or No.</p> <p>7j. Contractor/Subcontractor Name and Address: Same as item 7j. under CPD Programs.</p>

Previous editions are obsolete.

Form HUD-2516 (8/98)