



City of Virginia Beach

Department of Housing and Neighborhood Preservation

Section 3
Compliance Policy Handbook
for
Developers and Contractors
2014-2015

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(All previous versions are expired)

Department of Housing and Neighborhood Preservation
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City of Virginia Beach
Department of Housing and Neighborhood Preservation

Section 3 Compliance Policy Handbook

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SECTION 3 - COMPLIANCE FOR CONTRACTORS
RECEIVING CDBG, HOME, HOPWA, OR ESG FUNDING FROM
DEPARTMENT OF HOUSING AND NEIGHBORHOOD PRESERVATION

PURPOSE

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) ensures that employment and other economic opportunities generated by certain HUD financial assistance shall, **to the greatest extent feasible**, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very-low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very-low income persons.

GENERAL POLICY STATEMENT

The City of Virginia Beach Department of Housing & Neighborhood Preservation (DHNP) implements the Section 3 Compliance Policy through the awarding of contracts to contractors, vendors, and suppliers, to create employment and business opportunities for residents of the city and other qualified low- and very low-income persons residing in low-moderate income metropolitan areas or non-metropolitan counties in which the Section 3 covered assistance is expended (The Virginia Beach-Norfolk-Newport News, VA-NC MSA).

Section 3 Compliance Policy which shall, to the greatest extent feasible, result in the recruitment, employment, and utilization of Section 3 residents and business concerns for Section 3 covered contracts partially or wholly funded by the Community Development Block Grant (CDBG), the Housing Investment Partnership Program (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA).

The City of Virginia Beach Department of Housing & Neighborhood Preservation shall examine and consider a contractor's or vendor's potential for success in providing employment and business opportunities to Section 3 residents prior to acting on any proposed contract award.

DEFINITIONS

Applicant - Any entity which makes an application for Section 3 covered assistance, and includes, but is not limited to, any State, unit of local government, public housing agency or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association.

Assistant - the Assistant Secretary for Fair Housing and Equal Opportunity.

Business Concern - a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

Contract - See the definition of "Section 3 covered contract" in this section.

Contractor - any entity which contracts to perform work generated by the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

Department of HUD – means the Department of Housing and Urban Development, including its Field Offices to which authority has been delegated to perform functions under this part.

Employment Opportunities Generated by Section 3 Covered Assistance - all employment opportunities generated by the expenditure of Section 3 covered assistance (housing construction, housing rehabilitation, and public improvements funded by CDBG, HOME, HOPWA, and ESG as spelled out in 24 CFR Part 135).

Housing and Community Development Assistance – means any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of community development block grants, and loans guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. Housing and community development assistance does not include financial assistance provided through a contract of insurance or guaranty.

Housing Development – means low-income housing owned, developed, or operated by public housing agencies or Indian housing authorities in accordance with HUD's public and Indian housing program regulations codified in 24 CFR Chapter IX.

HUD Youthbuild Programs – means programs that receives assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C/. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individual and members of low-and very low-income families.

JTPA – means the Job Training Partnership Act (29 U.S.C. 1579(a)).

Low-income person - families (including single persons) whose incomes do not exceed 80 per cent 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 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.

Metropolitan Area - the metropolitan area of the Virginia Beach-Norfolk-Newport News, VA-NC MSA. This area contains the following areas: Currituck County, NC; Gloucester County, VA; James City County, VA; Isle of Wight, VA; Mathews County, VA; Surry County, VA; York County, VA; Chesapeake, VA; Hampton, VA; Newport News, VA; Norfolk, VA; Poquoson, VA; Portsmouth, VA; Suffolk, VA; Virginia Beach, VA; and Williamsburg, VA.

Neighborhood Area – means for HUD housing programs, a geographical location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in ordinances, or other local documents as a neighborhood, village, or similar geographical designation.

New Hires - full-time employees for permanent, temporary or seasonal employment opportunities.

Non-Metropolitan County – means any county outside of a metropolitan area.

Other HUD Programs – means HUD programs, other than public and Indian housing programs that provide housing and community development assistance for “Section 3 covered projects.” As defined in this section.

Recipient - any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State unit of local government, PHA, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor, builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

Safe Harbor Compliance - Recipient/Developer/Contractor that meets the minimum numerical hiring goals will be considered to have complied with the Section 3 procurement preference requirements.

Secretary – means the Secretary of Housing and Urban Development.

Section 3 - Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u)

Section 3 Business Concern - a business concern,

1. That is owned by Section 3 resident: or
2. Whose permanent, full-time employees include persons, at least 51% percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
3. That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraphs 1 or 2 above.

Section 3 Clause – means the contract provisions set forth in 135.38.

Section 3 Covered Activity – means any activity that is funded by Section 3 covered assistance public and Indian housing assistance.

Section 3 Covered Assistance - Assistance provided under any HUD community development program that is expended for work arising in connection with employment, housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

Section 3 Covered Contracts - a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project.

Section 3 covered contracts do not include contracts awarded under HUD's procurement program, which are governed by the Federal Acquisition Regulation (FAR). Section 3 covered contracts also do not include contracts for the purchase of supplies and materials. However, whenever a contract for materials includes the installation of the materials, the contract constitutes a Section 3 covered contract.

Section 3 Covered Project - the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

Section 3 Joint Venture – means an association of business concerns, one of which qualifies as a Section 3 business concerns, one of which qualifies as a Section 3 business concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the business concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the Section 3 business concern:

1. Is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and
2. Performs at least 25 percent of the work and is contractually entitled to compensation proportionate to its work.

Section 3 Residents - means:

1. A public housing resident; or
2. An individual who resides in the metropolitan area or Non-metropolitan County in which the Section 3 covered assistance is expended, and who is:
 - (i) A low-income person, as this term is defined in Section 3 (b) (2) of 1937 Act (42 U.S.C. 1437a (b) (2)). Section 3 (b) (2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80 per cent 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 cent 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; or
 - (ii) A very low-income person, as this term is defined in Section 3(b) (2) of the 1937 Act (42 U.S.C. 1437a (b) (2)). Section 3 (b) (2) of the 1937 Act (42 U.S.C. 1437 a(b) (2) defines this term to mean families (including single persons) whose income does not exceed 50 per cent 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 cent 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 income family incomes.

3. A person seeking the training and employment preferences provided by Section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

Section 8 Assistance – means assistance provided under Section 8 of the 1937 Act (42 U.S.C. 1437f) pursuant to 24 CFR part 882, subpart G.

Service Area – means the geographical area in which the persons benefiting from the Section 3 covered project reside. The service shall not extend beyond the unit of general local government in which the Section 3 covered assistance is expended. In HUD’s Indian housing programs, the service area, for IHAs established by an Indian tribe as a result of the exercise of the tribe’s sovereign power, is limited to the area of tribal jurisdiction.

Subcontractor - any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor's obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

Very low-income person - families (including single persons) whose income 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.

Youthbuild Programs – See the definition of “HUD Youthbuild Programs” in this section.

COMPLIANCE REQUIRED

Community development assisted development for housing rehabilitation, housing construction or other public construction projects that have been made possible with federal funding provided through the City of Virginia Beach Department of Housing and Neighborhood Preservation (DHNP) will trigger Section 3 for compliance. As a Recipient/Developer/Contractor (contractor) who will be involved on these projects, you will need to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968. Section 3 is intended to ensure that when employment or contracting opportunities are generated, because a project is funded with CDBG, HOME, HOPWA or ESG funds that preferences must be given to low- and very low-income persons or business concerns for the employment of additional persons or the awarding of contracts for work for that project.

SECTION 3 COMPLIANCE POLICY HANDBOOK FOR DEVELOPERS AND CONTRACTORS

Recipient/Developer/Contractor, who may be involved on Section 3 triggered projects, is required to provide to the DHNP a project specific Section 3 Compliance Plan for each covered project. The DHNP **Section 3 Compliance Policy Handbook for Developers and Contractors** (current edition) is designed to provide guidance to the Recipient/Developer/Contractor in the development of their Section 3 Plan. The information and definitions provided herein will assist the reader in the understanding of the Section 3 requirements, the City of Virginia Beach DHNP Policy and compliance requirements and will guide the Developer/Contractor/Recipient in complying with these requirements.

Staff members from the Department of Housing and Neighborhood Preservation (DHNP) are also available to answer any questions that the Developer/Contractor/Recipient may have regarding Section 3 requirements. The DHNP contact for Section 3 is:

Olin L. Walden, Housing Development Coordinator
Certified Section 3 Compliance Professional
Section 3 Compliance Manager
Department of Housing and Neighborhood Preservation
Housing Development Division
757-385-5760 or email owalden@vbgov.com

PENALTY FOR NON-COMPLIANCE

Failure or continued refusal by the Recipient/Developer/Contractor to comply with Section 3 regulations shall result in sanctions, debarment, suspension and denial of future participation in all the Department of Housing and Neighborhood Preservation (DHNP) programs or any programs funded by the DHNP. Specifically, as a penalty for non-compliance the City of Virginia Beach shall execute these remedies to achieve compliance in this order:

- A. Based on the first observation or report of non-compliance with Section 3, the Recipient/Developer/Contractor will be sent an e-mail by the compliance manager notifying them of their non-compliance issue. The contractor will have until the next payroll or 14 calendar days, whichever is lesser to bring the contract into compliance.

Non-compliance within the required compliance period constitutes a second instance of non-compliance. If at any time a Recipient/Developer/Contractor fails to bring the contract into compliance, the City of Virginia Beach may withhold all future payments until the contract is in compliance.

- B. Second instance of non-compliance, for any reason, by the Recipient/Developer/Contractor on any project requiring Section 3 compliance will result in a written warning. The Recipient/Developer/Contractor shall have up to 10 business days from the most recent notice of non-compliance to meet compliance as a final cure period or justify in writing to the City of Virginia Beach why it cannot meet compliance. The City of Virginia Beach will render a written response to the Recipient/Developer/Contractor within 10 business days of receipt of its letter of reason for non-compliance. If the City of Virginia Beach deems the cause to be unacceptable, at its option, it can extend the cure period one time (for up to 5 days) to allow the violator to identify and secure other compliance options. Failure to comply within the compliance period will result in default of contract and the immediate repayment of all federal funds received by the Recipient/Developer/Contractor, if funds were provided by the DHNP for acquisition only. This default of contract will also result in a 12 month suspension from participation or award of any construction contract(s) with the DHNP.
- C. If the violator fails to take any corrective action to bring the contract into compliance within 15 business days from the most recent notice of non-compliance, or the City of Virginia Beach does not accept any of their corrective plans or justifications for non-compliance, the City of Virginia Beach may terminate the contract immediately and will result in a permanent debarment from all future participation in any construction contract by the recipient company or any of the principals of the recipient company under any company name with the DHNP. **If terminated, all funds due to the Recipient/Developer/Contractor shall be held** and a financial workout of the agreement shall proceed within 24 hours of termination. The workout is to include a contract deduct equal to the total Section 3 contract violation of opportunities provided to non-Section 3 residents or business because they were not offered according to the contract and regulation award. All remaining funds can be paid out based on work satisfactorily completed per the agreement.

WHAT PROJECTS ARE REQUIRED TO COMPLY WITH SECTION 3?

The requirements of Section 3 apply to recipients of Housing and Community Development assistance that invest **more than \$200,000.00** into projects/activities involving housing construction, rehabilitation, or other public construction. Section 3 also applies to recipients of **more than \$200,000.00** of the following financial assistance: CDBG, HOME, HOPE VI, HOPWA, Self-Help Homeownership Opportunity Programs, Economic Development Initiatives assistance, Brownfields Economic Development Initiatives, ESG, or Continuum of Care Homeless Assistance Programs funding.

With respect to recipients of Housing and Community Development funding, all contractors or subcontractors receiving covered funds in an amount **greater than \$100,000** to complete projects involving housing construction are required to comply with Section 3 requirements.

SECTION 3 HIRING GOALS and PREFERENCE

The minimum Section 3 compliance goals established by the City of Virginia Beach are:

- 30% of new hires for a covered project
- 25% of the total dollar amount of the contract for a covered project
- 10% of the total dollar amount of building trades contracts for a covered project
- 3% of the total dollar amount of non-construction contracts for a covered project

The Recipient/Developer/Contractor for the covered project shall to the best of their ability meet the following goals:

At least 30% of new hires meet the income and residency requirements to qualify as Section 3 Residents. The order of effort to attempt to find qualified Section 3 residents is described in the Tier structure below:

1. TIER I - preference is for low and very low income resident households at the site where the work is being performed or in the geographically defined area of the project.
2. TIER II - HUD Youthbuild Participants and low and very low income households in ANY HUD assisted housing within The Virginia Beach-Norfolk-Newport News, VA-NC MSA.
3. TIER III - homeless persons who live in the area or neighborhood in which the Section 3 covered project is located for housing constructed under the Stewart B. McKinney Homeless Assistance Act and other HUD funded beneficiaries including Section 8 voucher holders within The Virginia Beach-Norfolk-Newport News, VA-NC MSA.
4. TIER IV - Other low- and very low income households who live outside of the geographically defined area of the project but within in the Virginia Beach-Norfolk-Newport News, VA-NC MSA service area.

Safe Harbor Compliance - Recipient/Developer/Contractor that meets the minimum numerical hiring goals will be considered to have complied with the Section 3 procurement preference requirements.

WHAT IS A SECTION 3 RESIDENT?

A Section 3 resident is:

- 1) A Public Housing resident
- 2) A low or very low-income person residing in the metropolitan area of the **Virginia Beach-Norfolk- Newport New, VA-NC MSA**. This area contains the following areas: Currituck County, NC; Gloucester County, VA; James City County, VA; Isle of Wight, VA; Mathews County, VA; Surry county, VA; York County, VA; Chesapeake, VA; Hampton VA; Newport News, VA; Norfolk, VA; Poquoson, VA; Portsmouth, VA; Suffolk, VA; Virginia Beach, VA, and Williamsburg VA.

Note: Section 3 is race and gender neutral.

The determination of low or very low income person is based on the following HUD income guidelines. Income is the gross household income based on the number of persons residing in that household. Individuals can self certify their income to the contractor or sub-contractor employing them for the Section 3 qualified project.

HUD INCOME GUIDELINES

Number Persons in Household	1	2	3	4	5	6	7	8
80% Median Income (Low Income)	39,700	45,400	51,050	56,700	61,250	65,800	70,350	74,850
50% Median Income (Very Low Income)	24,850	28,400	31,950	35,450	38,300	41,150	44,000	46,800

Income guidelines effective as of **March 6, 2015**

The Recipient/Developer/Contractor will be responsible for keeping appropriate documentation (pay stubs, income tax return, etc.) that was used to determine the income.

WHAT IS REQUIRED TO MEET THE SECTION 3 REQUIREMENTS?

If the Recipient/Developer/Contractor has the need to hire new persons to complete the Section 3 covered contract or needs to subcontract portions of the work to another business, they are required to direct their newly created employment and/or subcontracting opportunities to Section 3 residents and business concerns. Recipient/Developer/Contractor can subcontract with companies who are Section 3 qualified, or award 25% of the total dollar amount of his contract for the project to business concerns that meet the qualification as a Section 3 owned business.

Safe Harbor Compliance - Recipient/Developer/Contractor that meets the minimum numerical hiring goals will be considered to have complied with the Section 3 procurement preference requirements.

WHAT EMPLOYEES NEED TO MEET THE SECTION 3 CRITERIA?

- 1) New hire employees should meet the income requirements as being low or very low income (see chart above) and live in the Virginia Beach- Norfolk-Newport News, VA-NC MSA as defined previously. Households at 80% of median income are considered low income; households at 50% or less are considered very low income.
- 2) Section 3 Qualified Business - Contractor can meet the Section 3 goal by subcontracting with a qualified Section 3 Business. A Section 3 qualified business is defined as: A business that can provide evidence that they meet one of the following:
 - A) 51% or more owned by Section 3 residents; or
 - B) At least 30% of its full time employees include persons that are currently Section 3 residents, or that had met the definition of a Section 3 resident within three years of the date of first employment with the business concern; or
 - C) Provides evidence, as required by DHNP of a commitment to subcontract in excess of 25% of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications in the above two (A&B) paragraphs.

WHERE CAN POSSIBLE WORKERS WHO MAY MEET THE SECTION 3 DEFINITION BE FOUND?

The following agencies may be potential sources for residents who may qualify as Section 3 residents. It is highly recommended that you contact these agencies in order to meet any of the Sec. 3 requirements.

Judeo-Christian Outreach Center

1053 Virginia Beach Boulevard
Virginia Beach, VA 23451
Phone: 757-491-2846
Fax: 425-2607
Point of Contact: Director

Vets House

P.O. Box 62963
Virginia Beach, VA 23466
Phone: 757-724-8614
Fax: (you need to call phone number before you can fax) 757-424-6492
Point of Contact: Director

Volunteers of America

The Lighthouse Center
825 Washington Street
Virginia Beach, VA 23451
Phone: 757-437-4911
Fax: 757-437-4864
Point of Contact: Director

Virginia Beach Community Development Corporation

2400 Potters Road
Virginia Beach, VA 23454
Phone: 757-463-9516
Fax: 757-463-1382
Point of Contact: Director

Tidewater Builder's Association

Apprentice Program
2117 Smith Avenue
Chesapeake, VA 23320
Phone: 757-420-2566
Fax: 757-965-6586
Point of Contact: Director

Virginia Supportive Housing

Cloverleaf Apartments
964 S. Military Highway
Virginia Beach, VA 2346
Phone: 757-961-4401
Fax: 757- 961-4689
Point of Contact: Director

Samaritan House

2620 Southern Boulevard
Virginia Beach, VA 23452
Phone: 757-631-0710
Fax: 757-631-0747
Point of Contact: Director

EVMS

Eastern Virginia Medical School
606 W. 29th Street, Norfolk, VA 23508
Phone: 757-683-9239
Fax: 757-683-9174
Point of Contact: Resource Mothers Coordinator

City of Virginia Beach Housing Choice Voucher Program Participants

2424 Courthouse Drive, Bldg 18A
Virginia Beach, VA 23456
Phone: 757-385-5745
FAX: 757-385-5766
Point of Contact: Rental Housing Program Administrator

Redevelopment and Housing Authorities located in the cities of:

City of Chesapeake	City of Norfolk
City of Hampton	City of Portsmouth
City of Newport News	City of Suffolk

And the Non-metropolitan counties of:

Currituck County, NC	Mathews County, VA
Gloucester County, VA	Surry County, VA
Isle of Wight, VA	York County, VA
James City County, VA	

NOTE: Recipient/Developer/Contractor will need to document all outreach efforts and any new hires that meet the Section 3 resident's definition. New hires are not required to come from the sources listed above, but should meet the definition of a Section 3 Resident.

**SECTION 3 ECONOMIC OPPORTUNITY PLAN
[AFFIRMATIVE ACTION PLAN]**

For Utilization of Project Area Businesses

Each Recipient/Developer/Contractor preparing to undertake work pursuant to a Section 3 covered contract shall develop and implement an affirmative action plan, known as the Section 3 Economic Opportunity Plan which shall:

- (a) Set forth the **approximated number and dollar value of all contracts** proposed to be awarded to all businesses within each category (type or profession) over the duration of the Section 3 covered project.
- (b) Analyze the information set forth in paragraph (a) and the availability of eligible business concerns within the project area doing business in professions or occupations identified as needed in paragraph (a) and, set forth a goal or target number and estimated dollar amount of contracts to be awarded to the eligible businesses and entrepreneurs within each category over the duration of the Section 3 covered project.
- (c) Outline the anticipated program to be used to achieve the goals for each business and/or professional category identified. This program should include but not be limited to the following actions:
 - (1) Insertion in the bid documents, if any, of the affirmative action plan of the applicant, recipient, contractor, or subcontractor letting the contract; and
 - (2) Identification within the bid documents, if any, of the applicable Section 3 project area.
 - (3) Ensuring that the appropriate business concerns are notified of pending contractual opportunities either personally or through locally utilized media.

For Hiring and Training Section 3 Residents

Each Recipient/Developer/Contractor preparing to undertake work pursuant to a Section 3 covered contract shall develop and implement an affirmative action plan, known as the Section 3 Economic Opportunity Plan which shall include:

Exhibit A **Mandatory Section 3 Solicitation Package**. See page 25 of this Handbook.

NOTE: The Section 3 Economic Opportunity Plan, including all mandatory and required submittals, will serve as the Section 3 Plan for the developer, contractor or sub-contractor in compliance with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended.

GOOD FAITH EFFORT

At a minimum, the following tasks must be completed to demonstrate a good faith effort with the requirements of Section 3. The contracting party and each contractor or subcontractor seeking to establish a good faith effort as required should be filling all training positions with persons residing in the target area.

1. Send notices of job availability subcontracting opportunities subject to these requirements to recruitment sources; trace organizations and other community groups capable of referring eligible Section 3 applicants, including the Department of Labor.
2. Include in all solicitations and advertisements a statement to encourage eligible Section 3 residents to apply.
3. When using a newspaper of major circulation to request bids/quotes or to advertise employment opportunities to also advertise in minority-owned newspapers.
4. Maintain a list of all residents from the target area who have applied either on their own or by referral from any service, and employ such persons, if otherwise eligible and if a trainee position exists. (If the contractor has no vacancies, the applicant, if otherwise eligible, shall be listed for the first available vacancy). A list of eligible applicants will be maintained for future vacancies.

The Recipient/Developer/Contractor must certify that any vacant employment positions, including training positions that are:

- (1) filled after the contractor is selected but before the contract is executed, and;**
- (2) filled with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed; were not filled to circumvent the Contractor's obligation under 24 CFR Part 135.**

GOOD FAITH EFFORTS (CON'T)

Examples of Efforts to Offer Employment Training Opportunities to Section 3 Residents

1. Entering into “first source” hiring agreements with organizations representing Section 3 residents.
2. Sponsoring a HUD-Certified “Step-Up” employment and training program for Section 3 residents.
3. Establish training programs, which are consistent with the requirements of the Department of Labor for public and Indian housing residents, and other Section 3 residents in the building trades.
4. Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the applications process) to every occupied dwelling unit in the housing development or developments.
5. Advertising the training and employment positions by posting flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of the housing development or developments.
6. Contacting resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments and community organizations in HUDS-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.
7. Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by a housing authority or contractor representative or representatives at a location in the housing development.
8. Arranging assistance in conducting job interviews and completing job applications for residents of the housing developments or developments and in the neighborhood or service area in which a Section 3 project is located.
9. Arranging for a location in the housing development or developments where Section 3 residents reside, or the neighborhood or service area of the project where job applications may be delivered to and collected by a recipient or contractor representative or representatives.
10. Contracting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild programs participating for the Housing Authorities or contractor’s training and employment positions.

11. Consulting with State and local agencies administering training programs funded through JTPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 residents for the Housing Authorities or contractor's and employment positions.
12. Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
13. Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the Section 3 business concerns identified in part 135) that will undertake, on behalf of the Housing Authorities, other recipients or contractor, the efforts to match eligible and qualified Section 3 residents with the training and employment positions that the Housing Authorities or contractor intends to fill.
14. Employment of Section 3 residents directly on either a permanent or a temporary basis to perform work generated by Section 3 assistance. (This type of employment is referred to as "force account labor" in HUD's Indian housing regulations See CFR 905.12, and 905.201(a) (6).)
15. Where there are more qualified Section 3 residents than there are positions to be filled, maintaining a file of eligible qualified Section 3 residents for future employment positions.
16. Undertaking job counseling, education and related programs in association with local educational institutions.
17. Undertaking such continued job training efforts as may be necessary to ensure the continued employment of Section 3 residents previously hired for employment opportunities.
18. After selection of bidders but prior to contract execution, incorporating into the contract a negotiated provision for a specific number of public housing or other Section 3 residents to be trained or employed on the Section 3 covered assistance.
19. Coordinating plans and implementation of economic development (e.g. job training and preparation, business development assistance for residents) with the planning for housing and community development.

GOOD FAITH EFFORTS (CON'T)

Examples of Efforts to Award Contracts to Section 3 Business Concerns

Utilizing procurement procedures for Section 3 business concerns similar to those provided in 24 CFR part 905 for business concerns owned by Native Americans (see section III of this Appendix).

1. In determining the responsibility of potential contractors, consider their record of Section 3 compliance as evidenced by past actions and their current plans for the pending contract.
2. Contacting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying Section 3 businesses which may solicit bids or proposals for contracts for work in connection with Section 3 covered assistance.
3. Advertising contracting opportunities by posing notices, which provide general information about the work to be contracted and where to obtain additional information in the common area or other prominent areas of the housing development or developments owned and managed by the Housing Authority or Recipient.
4. Contacting resident councils, resident management corporations, or other resident organizations, where they exist, and requesting their assistance in identifying eligible business concerns.
5. Providing written notice to all known Section 3 business concerns of the contracting opportunities. This notice should be in sufficient time to allow the Section 3 business concerns to respond to the bid invitations or request for proposals.
6. Following up with Section 3 business concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.
7. Coordinating pre-bid meetings at which Section 3 business concerns could be informed of upcoming contracting and subcontracting opportunities.
8. Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that Section 3 business concerns can take advantage of upcoming contracting opportunities, with such information being made available in language other than English where appropriate.
9. Advising Section 3 business concerns as to where they may seek assistance in overcoming limitations such as inability to obtain bonding, lines of credit, financing, or insurance.
10. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 business concerns.

11. Where appropriate, breaking out contract work items into economically feasible units to facilitate participating by Section 3 business concerns.
12. Contacting agencies, administering HUD Youthbuild programs, and notifying these agencies of the contracting opportunities.
13. Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation and radio advertising.
14. Developing a list of eligible Section 3 business concerns.
15. For Housing Authorities, participating in the “Contracting with Resident-Owned Business” program provided under 24 CFR part 963.
16. Establishing or sponsoring programs designed to assist residents of public or Indian housing in the creation and development of resident-owned businesses.
17. Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to Section 3 business concerns.
18. Supporting businesses that provide economic opportunities to low-income persons by linking them to the support services available through the Small Business Administration (SBA), the Department of Commerce and comparable agencies at the State and local levels.
19. Encouraging financial institutions, in carrying out their responsibilities under the Community Reinvestment Act, to provide low- income loans by providing working capitals and other financial business needs.
20. Actively supporting joint ventures with Section 3 business concerns.
21. Actively supporting the development or maintenance of business incubators that assist Section 3 business concerns.

GOOD FAITH EFFORTS (CON'T)

Examples of Procurement Procedures That Provide For Preference to Section 3 Business Concerns

This section (Section III of the Regulations), provides specific procedures that may be followed by recipients and contractors (collectively, referred to as the “contracting party”) for implementing the Section 3 contracting preference for each of the competitive procurement methods authorized in 24 CFR 85.36(d).

1. **Small Purchase Procedures** For Section 3 covered contracts aggregating no more than \$25,000, the methods set forth in this paragraph or the more formal procedures set forth in paragraphs (2) and (3) of this section may be utilized.

- i. **Solicitation**

- A. Quotations may be solicited by telephone, letter or other informal procedure provided that the manner of solicitation provides for participation by a reasonable number of competitive sources. At the time of solicitation the parties must be informed of:

The Section 3 covered contract to be awarded with sufficient specificity:

- The time within which quotations must be submitted; and
- The information that must be submitted with each quotation.

- B. If the method described in paragraph (i) (A) is utilized, there must be an attempt to obtain quotations from a minimum of three qualified sources in order to promote competition. Fewer than three quotations are acceptable when the contracting party has attempted, but has been unable to obtain a sufficient number of competitive quotations. In unusual circumstances, the contracting party may accept the sole quotation received in response to a solicitation received in response to a solicitation provided the price is reasonable. In all cases, the contracting party shall document the circumstances when it has been unable to obtain at least three quotations.

- ii. **Award**

- A. Where the Section 3 covered contract is to be awarded based upon the lowest prices, the contract shall be awarded to the qualified Section 3 business concern with the lowest responsive quotation if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified Section 3 business concern is within 10 percent of the lowest responsive quotation from any qualified source, the award shall be made to the source with the lowest quotation.
 - B. Where the Section 3 covered contract is to be awarded based on factors other than price, a request of quotations shall be issued by developing the particulars of the solicitations, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25

percent of the total number of available rating points to be set aside for the provision of preference for Section 3 business concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

2. **Procurement by sealed bids** (Invitations for Bids). Preference in the award of Section 3 covered contracts that are awarded under a sealed bid (IFB) process may be provided as indicated in the bid solicitation.

3. **Procurement under the competitive proposals** method of procurement (Request for Proposals RFP). (i) For contracts and subcontracts awarded under the competitive proposals method of procurement (24CFR 85.36 (d) (3)), a Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals.
 - i. One of the evaluation factors shall address both the preference for Section 3 business concerns and the acceptability of the strategy for meeting the greater extent feasible requirement (Section 3 strategy), as disclosed in proposals submitted by all business concerns (Section 3 and non-Section 3 business concerns). This factor shall provide for a range of 15 to 25 percent of the total number of available points to be set aside for the evaluation of these two components.
 - ii. The component of this evaluation factor, designed to address the preference for Section 3 business concerns, must establish a preference for these business concerns in the order of priority ranking as described in 24 CFR 135.36.
 - iii. With respect to the second component (the acceptability of the Section 3 strategy), the RFP shall require the disclosure of the contractor's Section 3 strategy to comply with the Section 3 training and employment preference, or contracting preference, or both, if submission of an acceptable Section 3 strategy. The contract award shall be made to the responsible firm (either Section 3 or non-Section 3 business concerns) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.



CITY OF VIRGINIA BEACH
DEPARTMENT OF HOUSING
AND NEIGHBORHOOD PRESERVATION (DHNP)

Section 3

Compliance Policy Handbook

for

Developers and Contractors

Mandatory Section 3 Plan and Solicitation Package

SECTION 3 ECONOMIC OPPORTUNITY PLAN

Each Recipient/Developer/Contractor preparing to undertake work pursuant to a Section 3 covered contract shall develop and implement an affirmative action plan, known as the **Section 3 Economic Opportunity Plan**. The Section 3 information contained in pages 25 – 40 of the Mandatory Section 3 Plan and Solicitation package, which shall be inserted in its entirety into every solicitation for work or contracts by the Department of Housing and Neighborhood Preservation (DHNP), the developers, the contractor and sub-contractors when Section 3 is triggered.

SECTION 3 PLAN INSTRUCTIONS

SUBMIT YOUR FIRM'S SECTION 3 ECONOMIC OPPORTUNITY PLAN ON YOUR FIRM STATIONERY AND INCLUDE THE FOLLOWING INFORMATION ON YOUR PLAN COVER SHEET :

- (1) DEVELOPER NAME, ADDRESS, WEBSITE and EMAIL
- (2) CONTRACTOR NAME, ADDRESS, WEBSITE and EMAIL
- (3) COMPANY CONTACT NAME, TELEPHONE AND FAX NUMBER
- (4) PROJECT NAME AND PROJECT/BID NUMBER.
- (5) PROJECT ADDRESS
- (6) FUNDING SOURCE
- (7) FISCAL YEAR
- (8) CONTRACT AMOUNT

Plan Submittal Outline:

- I. Section 3 Plan Coversheet
- II. Section 3 Plan Questions
- III. Mandatory Section 3 Plan and Solicitation Package
- IV. Section 3 Plan Exhibits A-F
- V. Supplemental Information and Exhibits

NOTE: The Section 3 Economic Opportunity Plan, including the Mandatory Section 3 Solicitation Package and all required submittals, including appropriate Exhibits A – F of this Handbook, will serve as the Section 3 Plan for the developer, contractor or sub-contractor for compliance with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended.

Section 3 Plan Questions

As a requirement for submittal, review and approval of the Section 3 Plan, each Recipient/Developer/Contractor shall address questions 1-4 below to provide a description of implementation and documentation efforts to be taken regarding their training, employment and contracting goals.

Question #1

Identify individuals responsible for planning, implementing, and tracking the project's Section 3 training and employment goals. Describe their prior experience in this area.

The individual responsible for planning, implementing and tracking the project's Section 3 training and employment goals is John Doe, President (or the appropriate title of this individual), of name of firm (hereafter referred to as "Contractor"). He (or she) will obtain all pertinent information to become thoroughly familiar and ensure contract compliance with the HUD Section 3 Regulation. John Doe has worked on construction (or service, whichever is applicable) projects, and is qualified to administer contractor's Section 3 Economic Opportunity Plan (Plan.)

Question #2

Describe efforts (contractor and subcontractor) to be taken to recruit, solicit, encourage, facilitate and hire public housing and other low-income persons. Identify any private or public resources that will be used.

NOTE: The employment goal is thirty percent (30%) of the aggregate number of new hires.

Contractor will take the following steps to recruit, solicit, encourage, facilitate and hire public housing and other low-income persons, in the event any vacancies occur throughout the duration of the project:

1. Meet with resident associations and managers at the covered housing site where work is to take place, first, and second, at other covered housing sites.
2. Schedule a time and place for public housing residents to complete job applications.
3. Develop a list of "pre-qualified Section 3 public housing and other low-income residents who could fill job vacancies that may later become available.
4. Send notices about Section 3 training and employment obligations and opportunities required for this project to labor organizations.
5. Establish a training program to provide public residents and other low income residents with the opportunity to learn basic skills and job requirements.
6. Advertise in major and community newspapers and on job sites for workers who meet the definition of a Section 3 resident.

Contractor will establish files to record and retain written documentation of all training and employment outreach efforts and resources from agency representatives and job applicants.

Question #3

(ONLY APPLICABLE TO FIRMS THAT SUBCONTRACT)

Describe the contractor's activities to be taken for recruiting, soliciting, encouraging, facilitating and selecting Section 3 subcontractors, where applicable.

Contractor will take all feasible measures to recruit, solicit, encourage, facilitate, and select qualified Section 3 business subcontracting firms to perform at least 10% of the project award amount (contract sum) for each DHNP project for which Contractor is the successful bidder.

Contractor will request the organizations, listed below, to provide lists of firms, organized by trade category, which can perform required project work (in addition to these organizations, Contractor may also contact other organizations that provide such listings):

1. Contractor's Resource Center
2. Small Business Administration
3. Minority Business Development Center
4. Other Source (Specify)

Contractor understands that, in addition to awarding work to qualified Section 3 businesses, it is our responsibility to:

1. Use the contractor's or firms solicitation letter to advertise to the "greatest extent feasible" to all firms on lists provided to us by the DHNP and other organizations about the type of work needed to complete each DHNP project,
2. Advise firms of Contractor's obligation to seek and award work to qualified Section 3 businesses, where feasible,
3. Clarify the definition of a Section 3 resident and business,
4. Explain how to qualify as a Section 3 business in order to be eligible to receive a preference from Contractor when subcontractor work is to be awarded, and
5. Provide Section 3 certified firms that are qualified to perform work with an opportunity to submit price quotations for DHNP project work, and where financially feasible, hire such firms as subcontractors.

Documentation of Outreach to find Eligible Section 3 Subcontracting Firms

1. Contractor will establish files to record and retain written documentation of all outreach efforts and responses received from organizations and subcontractors who are contacted.
2. Contractor will fax the DHNP Solicitation Letter to all firms that these organizations identify, based on each category of work required for each project.
3. Contractor will provide DHNP with copies of its facsimile receipts to each of the organizations listed in its Plan and their responses.
4. Contractor will provide DHNP with copies of its facsimile receipts and responses received from every firm that is faxed for each DHNP project.
5. Contractor will provide DHNP with an outreach close-out letter for each project awarded that refers to an attached outreach summary report. ***If Contractor is unable to meet DHNP's requirement to contract at least 10% of the award amount to Section 3 businesses, Contractor will include in its close-out letter an explanation as to why this requirement was not met.***
6. The outreach summary report, referred to in No. 5, above, will list all contacts made to each organization or association, the individual firms subsequently contacted, categorized by trade, and the bid amount or other type of responses received from each firm (similar to the sample outreach summary report attached to Contractor's Plan.)
7. If a firm is non-responsive, Contractor agrees to make a second attempt at getting them to respond, failing which, Contractor will move on to another company, all of which will be submitted to the DHNP, and referred to in the outreach close-out letter and summary report.

Question #4 (ONLY APPLICABLE TO FIRMS THAT SUBCONTRACT)

Describe plans to structure project activities in ways to create opportunities for Section 3 firms to participate, where applicable.



**CITY OF VIRGINIA BEACH
DEPARTMENT OF HOUSING
AND NEIGHBORHOOD PRESERVATION (DHNP)**

SECTION 3 TRAINING/EMPLOYMENT GOALS

PROJECT NAME: _____ PROJECT/BID #: _____

PROJECT ADDRESS: _____ FUNDING: _____

SUBMITTED BY and FOR: _____

Company Name of Developer/Contractor/Subcontractor: _____

Type of Work	Total Number Employees Required	Current Number Employees on Staff	Number of New Employee Vacancies	Section 3 Hiring Goal Number of Employees	Number of Section 3 Employees Hired
Professional & Admin.					
Clerical					
Other					
Construction Skilled					
Semi-Skilled Trainees					
Apprentices					

SECTION 3 CONTRACTING GOALS (Attach additional page if required)

Type of Work	Number of Contracts Required	Combined Dollar Value All Contracts	Section 3 Goal	
			Number of Contracts	Dollar Value Of Contracts

Recipient/Developer/Contractor/Subcontractor Company Name: _____

Name and Title of Signer (Print or Type): _____

Signature: _____ Date: _____



**CITY OF VIRGINIA BEACH
DEPARTMENT OF HOUSING
AND NEIGHBORHOOD PRESERVATION (DHNP)**

EXHIBIT A

Mandatory Section 3 Solicitation Package

The Section 3 information contained in pages 25 – 40 of the Mandatory Section 3 Plan and Solicitation package, which shall be inserted in its entirety into every solicitation for work or contracts by the Department of Housing and Neighborhood Preservation (DHNP), the developers, the contractor and sub-contractors when Section 3 is triggered. All required forms and the Section 3 Clause are already included along with instructions to all contractors bidding work. Refer to Section 3 Economic Plan and Plan Instructions for submittal requirements.

All contractors requiring any sub-contractors **MUST** issue this complete Mandatory Section 3 Solicitation Package to the potential subcontractors prior to bid or selection, and receive these completed **required Section 3 forms** before issuing any contracts:

- Section 3 Training/ Employment Goals (2 pgs.)
- Section 3 Certification and Action Plan (Exhibit B) (2 pgs.)
- Prior Compliance Certification (1 pg.)
- Assurance of Compliance (3 pgs.)

If the contractor or subcontractor is claiming certification as a 51% Resident Owner Business (ROB) or is certifying as a 30% employer the following form must be returned for all employees that meet the low- or Very low-income requirement (This is a stand-alone form with two pages):

- Section 3 Self-Certification and Skills Data Form (Exhibit C)

Remember, there must be three (3) responsive and responsible bids for all contracts and the residents of the city and other qualified low- and very low-income persons residing in low-moderate income metropolitan areas or non-metropolitan counties in which the Section 3 covered assistance is expended (The Virginia Beach-Norfolk-Newport News, VA-NC MSA) must be informed of the opportunity and given every chance to submit bids before an award is made.

Any contractor not meeting these requirements will have violated the Section 3 regulation and their contract may and likely will be terminated. If any contractor is terminated for failure to meet Section 3 requirements they will not be able to win awards on any other HUD funded contracts anywhere.

Section 3 Clause

Training and Employment Opportunities for Residents in the Project Area (Section 3, HUD Act of 1968; 24 CFR 135)

(a) The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(b) The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

(c) The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of Section 3 apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(d) The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

(e) The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.

(f) Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

(g) With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Section 3 Solicitation Overview and Instructions for Contractors

The City of Virginia Beach Section 3 policy requires that when the **Section 3 regulation is triggered by a need for new hires (whether individual employees, contractors or sub-contractors)**, every effort within the contractor's disposal must be made to the greatest extent feasible to offer all available employment and contracting opportunities to its residents based on the tiers below. When the regulation is triggered and a contractor is unable to offer employment or contracting, the contractor may offer employment related training to the Section 3 residents. The training must be in an amount equal to or exceeding 3% of the total contract award.

I. Tiers for offering all opportunities to Section 3 Residents and Resident Owned Businesses

1. TIER I - preference is for low and very low income households who live at the site where the work is being performed or in the geographically defined area of the project.
2. TIER II - HUD Youthbuild Participants within The Virginia Beach-Norfolk-Newport News, VA-NC MSA and low and very low income households in ANY HUD assisted housing.
3. TIER III - homeless persons residing in the area or neighborhood in which the Section 3 covered project is located for housing constructed under the Stewart B. McKinney Homeless Assistance Act and other HUD funded beneficiaries including Section 8 voucher holders within The Virginia Beach-Norfolk-Newport News, VA-NC MSA.
4. TIER IV - Other low- and very low income households who live outside of the geographically defined area of the project but within in the Virginia Beach-Norfolk-Newport News, VA-NC MSA service area.

II. What is a Section 3 Business Concern and how do they receive Preference in contract award?

A business that meets these certification definitions must receive Preference in contracting:

1. Is 51% or more owned by Section 3 residents;
2. Employs Section 3 residents for at least 30% of its full-time, permanent staff; or (**During the entire life of the contract**)
3. Provides evidence of a commitment to subcontract to Section 3 business concerns, 25% or more of the dollar amount of the awarded contract.

III. Important Items to remember about receiving Preferences in contract award

- Anytime you can elect to hire at 30% of the project area resident as your total New Hires, or
- Sub-contract at least 25% of your total award to a Section 3 Business Concern
- YOU MUST MAINTAIN THOSE PREFERENCE LEVELS DURING THE ENTIRE CONTRACT OR RISK HAVING THE CONTRACT TERMINATED FOR FAILURE TO COMPLY

IV. Other Methods of Compliance

Contractors can provide an array of trainings to Section 3 residents that are employment related, skills enhancing or employment readiness in nature. Here are the methods of achieving compliance through this method:

1. Contractor must develop a solid professional curriculum and it must be approved by a qualified state Department of Labor or PHA.
2. Contractor may identify a person or persons that are qualified to provide the training within their staff.

3. Contractors can partner with other groups that provide the desired training and pay them directly for the service.
4. The contractor can sub-contract the Section 3 compliance training to an outside firm specializing in training and educational programs to Section 3 residents.

V. All Contracts and All Contractors must meet Section 3 compliance by:

- A. Giving notice of any and all opportunities for employment and contracting to the low and very low-income residents of the City of Virginia Beach and other low and very low-income area residents and businesses by posting the opportunity in community sources that are generally available to low income residents and the general public. It is required that at a minimum of three (3) of the listed sources will be exercised at least once prior to extending an offer of employment to anyone not covered by Section 3 requirements:
 - The local community newspaper (Even if in non-English language)
 - The most widely distributed newspaper
 - Company or agency website
 - The management office of the local housing authority/homeless service agency/local low income housing community
 - Local Workforce Board
 - Other locations as approved by the City of Virginia Beach
- B. Clearly stating the requirements for applying for and achieving the opportunity and that the project is paid by “Section 3 Covered funds under the HUD Act of 1968”.
- C. Utilizing the Section 3 Clause when soliciting any work.
- D. Holding informational or “How to Apply” meetings when possible prior to requesting bids or taking applications so the residents or businesses are encouraged to apply for the opportunity.
- E. Helping link residents or businesses to local resources that may be available to help prepare them for applying for and achieving the opportunity.
- F. Working with the City of Virginia Beach in developing a communication and follow up process to track and report all Section 3 application and hiring activities to ensure the reporting of compliance efforts, and that contracting and sub-contracting reports are accurate.
- G. Providing Preference in hiring and contracting to Section 3 applicants and contractors when all factors are equal for the opportunity including price and salary requests.
- H. **Providing this package to all sub-contractors when soliciting bids;** meet all the same processes in A-F; and provide Preference to all sub-contractors meeting the definitions, as stated in that order of priority, when all factors remain equal between Section 3 and non-Section other respondents.

NOTE: In order for Preference as a Section 3 Contractor to be factored into the award decision, all elements of the solicitation criteria must be equal between contracts. This means price and all other factors must be equal. Then the contractor that has elected Preference on the Certification and Action Plan form and meets that specific rule will be awarded the contract.

Section 3 Contract Compliance Cure and Termination Processes

This language is a component of contract compliance with the work you are responding to in this solicitation. It is being placed in the Section 3 compliance section for ease of reference and due notice. The full requirements are provided in the Section 3 Clause found elsewhere in this package or in the HUD forms as may be applicable.

All contractors claiming a Preference in contracting by meeting any of the three qualifications including; a Resident Owned Business, Hiring 30% of New Hires and/or Sub-contracting at least 25% of total award to a Section 3 Concern shall maintain that status throughout the life of the contract. Failure to meet this requirement will result in penalties up to and including contract termination. Any contractor triggering the regulation by doing any hiring or contracting once they are awarded the contract through execution must comply with the Section 3 requirements by executing the efforts on their Certification and Action Plan in accordance with Recipient's Section 3 Policy.

The City of Virginia Beach shall execute these remedies to achieve compliance in this order:

- A. Based on the first observation or report of non-compliance with Section 3, the Recipient/Developer/Contractor will be sent an e-mail by the compliance manager notifying them of their non-compliance issue. The contractor will have until the next payroll or 14 calendar days, whichever is lesser to bring the contract into compliance.

Non-compliance within the required compliance period constitutes a second instance of non-compliance. If at any time a Recipient/Developer/Contractor fails to bring the contract into compliance, the City of Virginia Beach may withhold all future payments until the contract is in compliance.

- B. Second instance of non-compliance, for any reason, by the Recipient/Developer/Contractor on any project requiring Section 3 compliance will result in a written warning. The Recipient/Developer/Contractor shall have up to 10 business days from the most recent notice of non-compliance to meet compliance as a final cure period or justify in writing to the City of Virginia Beach why it cannot meet compliance. The City of Virginia Beach will render a written response to the Recipient/Developer/Contractor within 10 business days of receipt of its letter of reason for non-compliance. If the City of Virginia Beach deems the cause to be unacceptable, at its option, it can extend the cure period one time (for up to 5 days) to allow the violator to identify and secure other compliance options. Failure to comply within the compliance period will result in default of contract and the immediate repayment of all federal funds received by the Recipient/Developer/Contractor, if funds were provided by the DHNP for acquisition only. This default of contract will also result in a 12 month suspension from participation or award of any construction contract(s) with the DHNP.

- C. If the violator fails to take any corrective action to bring the contract into compliance within 15 business days from the most recent notice of non-compliance, or the City of Virginia Beach does not accept any of their corrective plans or justifications for non-compliance, the City of Virginia Beach may terminate the contract immediately and will result in a permanent debarment from all future participation in any construction contract by the recipient company or any of the principals of the recipient company under any company name with the DHNP. **If terminated, all funds due to the Recipient/Developer/Contractor shall be held** and a financial workout of the agreement shall proceed within 24 hours of termination. The workout is to include a contract deduct equal to the total Section 3 contract violation of opportunities provided to non-Section 3 residents or business because they were not offered according to the contract and regulation award. All remaining funds can be paid out based on work satisfactorily completed per the agreement.

The contractor understands and agrees that a compliance management firm may be used to conduct routine and certified payroll reviews to ensure compliance. Contractor agrees to provide the payroll data in an Excel or Word format each time the payroll is processed throughout the contract.



EXHIBIT B

**City of Virginia Beach
Department of Housing and Neighborhood Preservation**

Section 3 Certification and Action Plan (Required Submittal)

Name of Business _____

Address of Business _____

Type of Business (Check One): Corporation Partnership Sole Proprietorship Other

Contract/Solicitation Name or Number: _____

All intending to do business with the City of Virginia Beach (COVB) (RECIPIENT) and contractors MUST complete and submit this Action Plan with the bid, offer, or proposal. **Any solicitation response that does not include this document (completed, signed, and notarized) will be considered non-responsive and not eligible for award.**

To indicate Section 3 Business Concern preference option, select Box A, B, or C below:

A. I am Certifying as a Section 3 Concern and requesting Preference accordingly (Select only One Option):

51% Resident Owned

A business claiming status as a Section 3 Resident-Owned

Business Concern (ROB) entity:

Initial here to select this option _____

Provide Certification for Section 3 Residents and proof that they own a minimum 51% of the business

25% Sub-Contracting

A business claiming Section 3 status by subcontracting 25% of the dollar award to qualified Section 3 Business:

Initial here to select this option _____

Provide a list of intended subcontract Section 3 business(es) with amount Provide certification & all supporting documentation for each planned Section 3 Business Concern

IMPORTANT NOTICE: Preference must be maintained for the entire contract or the contract will be in non-compliance and at risk of termination.

30% Employer of Section 3 Residents Currently or New Hires

Section 3 status, because at least 30% of the existing or newly hired workforce for this specific contract will be Section 3 residents throughout the entire contract period. If a Prime or General Contractor is electing this option, the 30% employment requirement will be for the entire project including all the sub-contractors employees.

I anticipate my total number of employees for this contract to be ____ and ____ will be qualified Section 3.

Check all methods you will employ to secure Section 3 Residents/Persons. Posting the position in community sources that are generally available to low income residents and the general public is a standard requirement. Check at least three (3) methods you will employ

- The local community newspaper (Even if in non-English language)
- The most widely distributed newspaper
- Company or agency website
- The management office of the local housing authority/homeless service agency/local low income housing community
- Local Workforce Board
- Other locations as approved by RECIPIENT

Other: _____

Initial here to select this option _____

- B. I am NOT certifying as a qualified Section 3 Business Concern but if I trigger the regulation by doing any sub-contracting or hiring, I will comply by utilizing Other Economic Opportunities as indicated by my selections below:**

Other Economic Opportunities must equal or exceed 3% of total contract value per the Recipient's Section 3 policy.

Other Economic Opportunities

EMPLOYMENT

I commit to hiring and maintaining throughout the life of any contract awarded at least _____ Tier I Section 3 Residents from RECIPIENT, lease-holders or housing choice voucher holders. Check all methods you will employ to secure Section 3 Residents/Persons. Total Payroll for these hires \$ _____

Check at least three (3) methods you will employ

- The local community newspaper (Even if in non-English language)
- The most widely distributed newspaper
- Company or agency website
- The management office of the local housing authority/homeless service agency/local low income housing community
- Local Workforce Board
- Other locations as approved by RECIPIENT
- Other: _____

Initial here to select this option _____

CONTRACTING

I will do the following contracts to Section 3 Businesses to meet compliance requirements.

Initial here to select this option _____

TRAINING

I will commit to funding, from my contract, a qualified Section 3 training in place of Employment or Contracting in the amount of 2% or more of my total contract award as required by RECIPIENT's policy. That training will commence within ten (10) days of contract start. My training will be:

- Employment Readiness Training (*List Training*) _____ for up to _____ residents
- Employment Skills Classroom (*List Training*) _____ for up to _____ residents
- Employment Skills Job Site (*List Training*) _____ for up to _____ residents
- Other Development* (*List Training*) _____ for up to _____ residents

*Contractor understands that if Job Site training is completed by having the trainee complete work comparable to HUD defined employment categories, the trainees must be paid Davis-Bacon wages and covered under their workers compensation insurance

Initial here to select this option _____

- C. I do not anticipate triggering the regulation, as indicated by my selection below.**
CHECK BOTH BOXES.

I do not anticipate any new employees on this contract.

I do not anticipate any new contracting on this contract.

Initial here to select this option _____

PRIOR COMPLIANCE CERTIFICATION

I am certifying that I have complied with the HUD Section 3 Regulations in my past contracts **when required** by the recipient and/or contractor by employing the following:

1. I was a Section 3 Resident-Owned Business (ROB). List the Contracts and HUD Funded Entity and Contact:

Initial here to select this option _____

2. I complied with Section 3 by employing at least 30% of my workforce. List the Contracts and HUD Funded Entity and Contact:

Initial here to select this option _____

3. I complied with Section 3 by subcontracting 25% of the total dollar award to a qualified Section 3 Business. List the Contracts and HUD Funded Entity and Contact:

Initial here to select this option _____

4. I complied with Section 3 on a previous HUD funded contract by doing these things and with these entities: Describe:

Initial here to select this option _____

5. I completed HUD Section 3 covered contracts in the past three years but was not required to meet compliance.

Check the box of the corresponding reason below.

I did not trigger the regulation by hiring any new employees on my Previous contract(s) in violation of the Section 3 regulation.

I did not trigger the regulation by hiring any contractors on my previous contract(s) in violation of the Section 3 regulation.

Initial here to select this option _____

ASSURANCE OF COMPLIANCE CERTIFICATION WITH THE HUD ACT OF 1968 (12 U.S.C. 1701 U)

Purpose: To ensure that regulations promulgated under 24 CFR Part 135 Employment Opportunities for Businesses and Lower Income Persons in Connection with Assisted Projects and the Section 3 Plan and Policy of RECIPIENT, its sub-recipients and contractors to the greatest extent feasible is adhered to, and to serve as the ‘assurance of compliance’ certification and action plan as required in the bid documents, supplemental general conditions, and required forms for the contract for any HUD work funded by RECIPIENT.

Description of the project’s work detail: The project work will be as listed in the final scope of work in the contract with RECIPIENT, its sub-recipients and contractors including any change orders.

Find below a list of subcontractors anticipated for involvement in or are currently contracted to provide services on this project.

<i>Name of Subcontractor</i>	<i>Currently Under Contract? (Y/N)</i>	<i>Trade</i>	<i>Contract Greater Than \$100,000 ? (Y/N)</i>

****Use an additional sheet if required.***

Preliminary Statement for Work Force Needs: RECIPIENT intends to meet Section 3 compliance at the highest level and it is our intent to identify any short-term and long-term employment or contracting opportunities for qualified Section 3 persons and concerns during the course of your contract funded by RECIPIENT via its sub-recipients and contractors. Please list the status of all planned employment position and opportunities for this contract. **Preference for all opportunities must be given to low and very low-income residents if they qualify. If awarded a contract, you are required to provide a list of your aggregate workforce on this project. Any changes to that workforce during the project will constitute new hires. You are hereby notified that you must notify RECIPIENT or contractor (Respectively) overseeing your contract of any new hire opportunities that arise during the life of your contract. Anticipated workforce list may be provided on a separate sheet or in a different format.**

<u>Category</u>	<u># of Project Workforce Positions</u>	<u>Status of All Positions (Open or Filled)</u>
Skilled	_____	_____
Semi-Skilled Labor	_____	_____
Trainee’s	_____	_____
Laborers	_____	_____

“To the Greatest Extent Feasible”:

The Contractor has identified ____ # of OPEN positions with respect to this contract. The positions are filled by the _____ (Position title) of the Contractor.

Should the scope of work or duties of the contractor change to a degree requiring a modification of the work force needs, the contractor shall put forth a reasonable effort to fill vacant positions with the area low and very low-income residents.

Documentation of “To the Greatest Extent Feasible”:

The contractor will work with RECIPIENT, its sub-recipients and contractors staff to notify residents of any opportunities afforded under our contract. The contractor will partner with RECIPIENT, its sub-recipients and contractors by giving preference of any employment opportunities to the Section 3 persons or concerns.

The contractor shall recruit or attempt to recruit from the Section 3 area the necessary number of low-income and very low-income residents through documentation of their efforts and impediments to comply. RECIPIENT, its sub-recipients and contractors shall:

1. Maintain a list of all low-income area residents who have applied, either on their own or from referral from any source, and employ such person if otherwise eligible and if a trainee vacancy exists.
2. Provide evidence that the contractor has not filled vacant employment positions in its workforce immediately prior to undertaking work in an attempt to circumvent Section 3 regulations.

Review and determine if low-income and very low-income residents meet minimum hiring qualifications. Applicants meeting such minimum qualifications, but not hired due to lack of job openings or for other operations reasons, will be placed on a priority-hiring list and offered positions upon the occurrence of the first available appropriate job opening.

Utilization of Businesses Located or Owned in Substantial Part by Qualified Persons Residing in the Area:

The contractor does ___ does not ___ intend to subcontract any of the work identified in the scope of work cited in the bid specifications, scope of work or General Conditions.

Should the scope of work or needs of the contractor change, the contractor shall, to the greatest extent feasible, assure that subcontracts be awarded to business concerns within the Section 3 covered area, or to business concerns owned in the substantial part (at least 51%) by persons residing in the Section 3 covered area.

Record Keeping:

The contractor shall maintain on file all records related to employment and job training of low-income and very low-income residents or other such records, advertisements, legal notices, brochures, flyers, publications, assurances of compliance from sub-contractors, etc., in connection with this contract. The contractor shall, upon request by the Recipient/Developer/Contractor, provide such records as required.

Reports:

The contractor shall provide reports as required in connection with the contractor specifications. All certified and regular payrolls shall clearly detail which employees qualify under Section 3.

Certification:

The contractor will certify that any vacant employment positions, including training positions that filled:

- 1) **After the contractor is selected but before the contract is executed, and**
- 2) **With persons other than those to who the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the subcontractor’s obligations under 24 CFR Part 135.**

Grievance and Compliance:

The contractor or subcontractor hereby acknowledges that they understand that any low-income and very low-income resident of the project area, for him/her or as representatives of persons similarly situated, seeking employment or job training opportunities in the project area, or any eligible business concerns seeking contract opportunities may file a grievance if efforts to the greatest extent feasible were not executed. The grievance must be filed with HUD not later than one hundred eighty (180) calendar days from the date of the action (or omission) upon which the grievance is based.

I attest that the above information is true and correct.

Signature	Print Name	Title	Date
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NOTARY CERTIFICATE

State of Virginia

City of Virginia Beach, to-wit:

On the _____ day of _____, 20____, before me personally appeared

_____(Name),

_____(Title), for _____(Name

of corporation, LLC or sole proprietorship), known to be the person named herein and who executed the foregoing Affidavit and who acknowledged to me that she/he voluntarily executed the same.

My term expires: _____ Signature: _____

Notary Public Registration Number: _____



EXHIBIT C

**City of Virginia Beach
Department of Housing and Neighborhood Preservation**

SECTION 3 SELF-CERTIFICATION AND SKILLS DATA FORM

The purpose of this form is to comply with HUD Section 3 administration and certification regulations.

Certification for Section 3 Residents or other Low-Income Persons Seeking Employment, Training or Contracting

I, _____, am legal resident of the United States and meet the income eligibility and federal guidelines for a Section 3 Resident as defined on the next page.

My home address is:

_____ Must be a **Street** address not a P O Box # _____ Apt Number

_____ City _____ State _____ Zip _____ Home/Cell # _____ Email Address _____

Graduated High School or GED (month/year) _____ I Read and Speak English Fluently: Yes or No

Attended College, Trade, or Technical School ___ Yes/No Graduated ___ Yes/No Year Graduated _____

Check the Skills, Trades, and/or Professions you have been employed in or contracted to do for others:

- | | | | |
|--|--|--|---|
| <input type="checkbox"/> Drywall Hanging | <input type="checkbox"/> Drywall Finishing | <input type="checkbox"/> Interior Painting | <input type="checkbox"/> Framing |
| <input type="checkbox"/> HVAC | <input type="checkbox"/> Electrical | <input type="checkbox"/> Interior Plumbing | <input type="checkbox"/> Exterior Plumbing |
| <input type="checkbox"/> Siding | <input type="checkbox"/> Cabinet Hanging | <input type="checkbox"/> Door Replacement | <input type="checkbox"/> Trim/Carpentry |
| <input type="checkbox"/> Stucco | <input type="checkbox"/> Window/Door Repl. | <input type="checkbox"/> Construction Cleaning | Exterior Framing |
| <input type="checkbox"/> Data Entry | <input type="checkbox"/> Receptionist | <input type="checkbox"/> Sales | <input type="checkbox"/> Telephone Customer Service |
| <input type="checkbox"/> Administrative | <input type="checkbox"/> Teaching/Training | <input type="checkbox"/> Personal Care Aide | <input type="checkbox"/> Landscaping |
| <input type="checkbox"/> CDL License | <input type="checkbox"/> Roofing | <input type="checkbox"/> Concrete/Asphalt Work | <input type="checkbox"/> Heavy Equipment Operator |
| <input type="checkbox"/> Fencing | <input type="checkbox"/> Metal/Steel Work | <input type="checkbox"/> Welding | <input type="checkbox"/> Other _____ |

I am certifying as a Section 3: **Person seeking Training** **or** **Person seeking employment**

(Check all that apply):

- I am a public housing or section 8 Leaseholder I live in the service area of the Virginia Beach-Norfolk-Newport News, VA-NC MSA

My total annual household income is \$ _____ There are a total of _____ people living in my household

Evidence submitted in support of this certification: _____

I certify that all of the information given above is true and correct. If found to be inaccurate, I understand that I may be disqualified as an applicant and/or a certified Section 3 individual which may be grounds for termination of training, employment, or contracts that resulted from this certification. I attest under penalty of perjury that my total household income annually, based on my total household size as listed above is at or below the income amount for that specific size at the time of this document is being signed and notarized. I understand that proof of this statement may be requested in the future.

Signature

Print Name

Date

NOTARY CERTIFICATE

State of Virginia

City of Virginia Beach, to-wit:

On the _____ day of _____, 20____, before me personally appeared

(Name),

(Title), for _____ (Name

of corporation, LLC or sole proprietorship), known to be the person named herein and who executed the foregoing Affidavit and who acknowledged to me that she/he voluntarily executed the same.

My term expires: _____ Signature: _____

Notary Public Registration Number: _____

Purpose:

The purpose of Section 3 of the Housing and Urban Development of 1968 (12 U.S.C. 1701u) (Section 3) is to ensure that employment and other economic and business opportunities generated by HUD Financial Assistance shall be directed to the Authority Residents and other low- and very low-income persons, particularly those who are recipients of government housing assistance and to business concerns which provide economic opportunities to Residents and other low- and very low-income persons.

Section 3 resident means:

- (1) A public housing resident; or
- (2) An individual who resides in the metropolitan area or non-metropolitan county in which the section 3 covered assistance is expended, and who is:
 - I. A low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act defines this term to mean families (including single persons) whose incomes do not exceed 80% 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 80% 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; or
 - II. A very low-income person, as this term is defined in section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2)). Section 3(b)(2) of the 1937 Act (42 U.S.C. 1437a(b)(2) defines this term to mean families (including single persons) whose incomes do not exceed 50% of the median family income for the area, as determined by the Secretary with adjustments made for smaller or larger families, except that the Secretary may establish income ceilings higher or lower than 50% 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.
- (3) A person seeking the training and employment preference provided by section 3 bears the responsibility of providing evidence (if requested) that the person is eligible for the preference.

Service area means the geographical area in which the persons benefiting from the section 3-covered project reside.



**CITY OF VIRGINIA BEACH
DEPARTMENT OF HOUSING
AND NEIGHBORHOOD PRESERVATION (DHNP)**

Section 3
Compliance Policy Handbook
for
Developers and Contractors

Pay Period and Monthly Reporting Requirements

PAY PERIOD and MONTHLY REPORTING REQUIREMENTS

REPORTING INSTRUCTIONS:

The following documents, Exhibit D – New Hires Section 3 Monthly Compliance Form and Exhibit E – Section 3 Form are required to be submitted by Recipient/Developer/Contractor to the designated Section 3 Compliance at the end of each month (MONTH) and for each Payment Release Request (PAY PERIOD) (as indicated thereon). Other documentation, Exhibit B – Section 3 Certification and Action Plan, Exhibit C – Section 3 Self-Certification and Skills Data Form and Exhibit F – Section 3 Resident Interview, Application and New Hire List shall be submitted as per occurrence.

1. Recipient/Developer/Contractor at the end of each month (MONTH) and for each Payment Release Request (PAY PERIOD), shall sign and date the New Hires Section 3 Monthly Compliance Form and deliver via mail, email or hand deliver to the designated DHNP Section 3 Compliance Manager.
2. Recipient/Developer/Contractor may be required to submit to the designated DHNP Section 3 Compliance Manager, at the end of each month (MONTH) and for each Payment Release Request (PAY PERIOD), a copy of the certified payroll. Recipient/Developer/Contractor shall maintain a daily log of employment inquires and applications on each covered project.
3. Recipient/Developer/Contractor must at the end of each month (MONTH) and for each Payment Release Request (PAY PERIOD), complete and submit to the designated DHNP Section 3 Compliance Manager, the Section 3 Form (Exhibit E of this Workbook). The Section 3 Form shall indicate when there are any new hires or new contracts executed in connection with each covered project including those new hires that are Section 3 residents or new contracts with Section 3 Certified Contractor/Subcontractor.

Submit all required report documentation to:

City of Virginia Beach
Department of Housing and Neighborhood Preservation
Attn: Olin Walden, Housing Development Coordinator
Section 3 Compliance Manager
2424 Courthouse Drive – Bldg. 18A
Virginia Beach, VA 23456
Phone (757) 385-5760
Fax (757) 385-5766
owalden@vbgov.com

NOTE:

All Monthly (MONTH) reports shall be received in the office of the Section 3 Compliance Manager by the 5th day of the month next after the last month in the reporting period. Request for Payment (Pay Period) reports shall be submitted along with each Payment Release Request.



EXHIBIT D

City of Virginia Beach Department of Housing and Neighborhood Preservation

SECTION 3 NEW HIRES SECTION 3 MONTHLY COMPLIANCE FORM

This form is to be distributed to the Recipient/Developer/Contractor at the Pre-Construction Meeting. Recipient/Developer/Contractor is required to provide Exhibits A through F to all contractors and/or subcontractors when soliciting bids for contracts exceeding \$100,000.00.

PROJECT NAME: _____ PROJECT/BID #: _____

PROJECT ADDRESS: _____ FUNDING: _____

SUBMITTED BY and FOR: _____

Company Name of Developer/Contractor/Subcontractor:

CONSTRUCTION TRADE or PROFESSIONAL SERVICE TYPE: _____

NOTE: Recipient/Developer/Contractor must at the end of each month (MONTH) **and** for each Payment Release Request (PAY PERIOD), sign and date the New Hires Section 3 Monthly Compliance Form and submit to the Section 3 Compliance Manager by the 5th day of the month next after the last month in the reporting period.

___ PAY PERIOD / ___ MONTH from: _____ to: _____
(month) (date) (year) (month) (date) (year)

___ Payment Release Request Attached for Draw #: _____ n

___ I/We have **not** hired any new employees during the PAY PERIOD/MONTH specified.

___ I/We have hired _____ Section 3 employees and/or _____ Non-Section 3 employees during the PAY PERIOD/MONTH specified.

NOTE: *If a certified Section 3 individual was interviewed and Hired or Not Hired during this period, please complete the information on Exhibit F and attach with this report.*

I/We have taken one or more of the following "Recruitment Steps" to hire a Section 3 resident with the highest training and employment priority ranking: (check all that apply)

___ Advertised to fill vacancy (ies) at the site(s), where work is taking place, in connection with this project. Below, I have checked the steps I have taken to find Section 3 low-income residents, from the targeted groups and neighborhoods, to fill any vacancies.

___ Placed signs or posters in prominent places at each of the above listed developments.

___ Taken photographs of above item to document that the above step was completed

___ Distributed employment flyers to each of the residents at these developments Posted employment flyers to each of the residents at these developments

Project Name: _____

NEW HIRES SECTION 3 MONTHLY COMPLIANCE FORM (Con't)

___ Contacted City Environmental Specialist or DHNP employment referrals and HUD Youthbuild Program referrals (if applicable)

___ Contacted U.S. HUD State Officer at (305) 536-4421 to identify any HUD Youthbuild programs currently operating in Virginia Beach; then contacted these programs for Youthbuild referrals

___ Kept a log of all applicants and indicated the reasons why Section 3 residents who applied were not hired

___ Retained copies of any employment applications completed by public housing Section 8 certificate or voucher holders or other Section 3 residents

___ Sent a notice about Section 3 training and employment requirements and opportunities to labor organizations or to worker representatives with whom our firm has a collective bargaining or other agreement

___ Sent proof of all checked items to the DHNP Section 3 Compliance Manager identified above via mail, email or hand delivered to DHNP.

Developer/Contractor/Recipient Certification:

I swear and confirm to the best of my knowledge and understanding that the information provided herein is true and accurate.

Construction Trade or Professional Service Type: _____

Company Name of Developer/Contractor/Subcontractor: _____

Name and Title of Signer (Print or Type): _____

Signature: _____

Date: _____

NOTARY CERTIFICATE

State of Virginia

City of Virginia Beach, to-wit:

On the _____ day of _____, 20____, before me personally appeared

_____ (Name),

_____ (Title), for _____ (Name

of corporation, LLC or sole proprietorship), known to be the person named herein and who executed the foregoing Affidavit and who acknowledged to me that she/he voluntarily executed the same.

My term expires: _____ Signature: _____

Notary Public Registration Number: _____



**CITY OF VIRGINIA BEACH
DEPARTMENT OF HOUSING
AND NEIGHBORHOOD PRESERVATION (DHNP)**

2424 Courthouse Drive, Building 18A
Virginia Beach, VA 23456
757-385-5750

**EXHIBIT E
SECTION 3 FORM (Revised 4/15/2015)**

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the project. The Contractor shall at all times strictly comply with the Section 3 clause detailed in the Equal Employment Opportunities section of the Contractor Participation Agreement currently in effect, which is hereby incorporated by reference herein as amended periodically.

NOTE: Recipient/Developer/Contractor **must at the end of each month (MONTH) and for each Payment Release Request (PAY PERIOD)**, sign and date this form and submit to the Section 3 Compliance Manager by the 5th day of the month next after the last month in the reporting period. **(Pay Period) reports shall be submitted along with each Payment Release Request.**

Project Name: _____ **Address:** _____ **App/Bid #:** _____

Contractor/Firm Name: _____ **Address:** _____

____ **PAY PERIOD/ MONTH:** from _____ (month) _____ (date) _____ (year) to: _____ (month) _____ (date) _____ (year)

NOTE: The chart below must reflect totals of new hires or contracts in each job category. List specific information in each job category on Page 2.

Job Category (List all positions and/or contracts on Page 2)	New Hires					Construction					Non-Construction (NC)				
	Number of ALL New Hires and R/E Code		Number of <u>Section 3 Certified Employees</u> and percentage of ALL New Hires			Number and Total \$ Amounts of Contracts Awarded ALL Contractors/Subs		Number and \$ Amounts of Contracts Awarded to <u>Section 3 Certified Contractors/Subs</u> and percentage of All Contractor/Subs \$ Awards			Number and Total \$ Amounts of Contracts Awarded ALL NC Business Concerns		Number and \$ Amounts of Contracts Awarded to <u>Section 3 Certified Business Concerns</u> and percentage of ALL NC Contract \$ Awards		
	No.	Code	No.	Code	%	No.	Amt.	No.	Amt.	%	No.	Amt.	No.	Amt.	%
<i>Example</i>	2	2,3	1	2	50	3	\$600,000.00	1	\$200,000.00	33.3	1	\$15,000.00	1	\$15,000.00	100
Professionals:															
Office/Clerical:															
Construction/Trade:															
Other:															
Total New Hires and/or Contracts This PAY PERIOD/MONTH:															

Racial/Ethnic (R/E) Codes: 1-White American 2-Black American 3-Native American 4-Hispanic American 5-Asian Pacific American 6-Hasidic Jews

I certify that the above information is true and accurate.

Recipient/Developer/Contractor's Signature

Printed Name and Title of Officer or Owner

Date

Contractor's Federal Identification Number

Or _____
Social Security Number

D-U-N-S Number

Project Name: _____

**EXHIBIT E
SECTION 3 FORM**

PAY PERIOD _____ to _____

Job Category (List all position titles and/or Contractor/Subcontractor Company Names with contract amounts and percentages in the appropriate columns)	New Hires					Construction					Non-Construction (NC)				
	Number of ALL New Hires and R/E Code		Number of Section 3 Certified Employees and percentage of ALL New Hires			Number and Total \$ Amounts of Contracts Awarded ALL Contractors/Subs		Number and \$ Amounts of Contracts Awarded to Section 3 Certified Contractors/Subs and percentage of All Contractor/Subs \$ Awards			Number and Total \$ Amounts of Contracts Awarded ALL NC Business Concerns		Number and \$ Amounts of Contracts Awarded to Section 3 Certified Business Concerns and percentage of ALL NC Contract \$ Awards		
	No.	Code	No.	Code	%	No.	Amt.	No.	Amt.	%	No.	Amt.	No.	Amt.	%
Example	2	2,3	1	2	50	3	\$600,000.00	1	\$200,000.00	33.3	1	\$15,000.00	1	\$15,000.00	100
Professionals:															
Office/Clerical:															
Construction/Trade:															
Other:															
Totals															

Racial/Ethnic (R/E) Codes: 1-White American 2-Black American 3-Native American 4-Hispanic American 5-Asian Pacific American 6-Hasidic Jews



Project Name: _____

EXHIBIT F

**Section 3 Resident
Interview, Applicant and New Hire List**

(NOTE: If New Hire is a Section 3 Resident, attach Exhibit C and supporting documentation for each Resident)

Name: _____ Phone: _____
Address: _____
Skills, Trades, Professions, and/or Special License: _____
_____ Section 3 Resident: Y / N
Job Title: _____ Start Date: _____
Reason Hired: _____
Reason Not Hired: _____
Full Time ___ Part Time ___ Perm ___ Temp ___ Work Hrs. /wk. _____
Salary/Pay Rate: \$ _____ Vacation _____ Sick _____ Medical _____

Name: _____ Phone: _____
Address: _____
Skills, Trades, Professions, and/or Special License: _____
_____ Section 3 Resident: Y / N
Job Title: _____ Start Date: _____
Reason Hired: _____
Reason Not Hired: _____
Full Time ___ Part Time ___ Perm ___ Temp ___ Work Hrs. /wk. _____
Salary/Pay Rate: \$ _____ Vacation _____ Sick _____ Medical _____

Name: _____ Phone: _____
Address: _____
Skills, Trades, Professions, and/or Special License: _____
_____ Section 3 Resident: Y / N
Job Title: _____ Start Date: _____
Reason Hired: _____
Reason Not Hired: _____
Full Time ___ Part Time ___ Perm ___ Temp ___ Work Hrs./wk. _____
Salary/Pay Rate: \$ _____ Vacation _____ Sick _____ Medical _____

Name: _____ Phone: _____
Address: _____
Skills, Trades, Professions, and/or Special License: _____
_____ Section 3 Resident: Y / N
Job Title: _____ Start Date: _____
Reason Hired: _____
Reason Not Hired: _____
Full Time ___ Part Time ___ Perm ___ Temp ___ Work Hrs. /wk. _____
Salary/Pay Rate: \$ _____ Vacation _____ Sick _____ Medical _____

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CITY OF VIRGINIA BEACH
DEPARTMENT OF HOUSING
AND NEIGHBORHOOD PRESERVATION (DHNP)

Section 3
Compliance Policy Handbook for
Developers and Contractors

NOTES:

(OLW11.27.12)