



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of June 13, 2009**

DATE: May 22, 2009

SUBJECT: Adoption of Section 3 Employment and Training Opportunities Policy for Arlington County

C. M. RECOMMENDATION:

Authorize adoption of a Section 3 Employment and Training Opportunities Policy for Arlington County, as required by the U.S. Department of Housing and Urban Development (HUD)

ISSUE: Adoption of Section 3 Employment and Training Opportunities Policy for Arlington County is required to receive federal funds for certain purposes. No issues have been identified.

SUMMARY: As a Community Development Block Grant (CDBG) entitlement community and a HOME (HOME Investment Partnerships Funds) participating jurisdiction as designated by HUD, a Section 3 Policy is required when obligating and committing funds to any large capital project. This will update Arlington's approved Section 3 policy dated July 1, 1980.

BACKGROUND: Section 3 is a provision of the HUD Act of 1968 intended to promote local economic development, neighborhood economic improvement, and individual self-sufficiency. The Section 3 program requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low- or very-low income residents in connection with projects and activities in their neighborhoods. Once a resident has obtained employment or contracting opportunities they have begun the first step to self-sufficiency. With the receipt of CDBG American Recovery and Reinvestment Act (ARRA) funds, it is important to have a current Section 3 policy.

DISCUSSION: Section 3 applies to certain HUD-funded Housing and Community Development projects that undertake housing rehabilitation, housing construction, and other public construction. Section 3 residents are public housing residents or persons who live in the area where a HUD-assisted project is located and who have a household income that falls below HUD's Section 8 income limits. Since Arlington County does not have public housing and is a geographically small jurisdiction, our policy would include all income eligible residents with particular emphasis placed on Housing Choice Voucher holders, residents of Neighborhood Strategy Areas, and persons residing in committed affordable units.

County Manager: _____

County Attorney: _____

Staff: David Bennett, Housing Division, DCPHD

A Section 3 business concern is a business, 51 percent or more of which is owned by Section 3 residents and/or that employs Section 3 residents for at least 30 percent of its full-time, permanent staff; or provides evidence of a commitment to subcontract to Section 3 business concerns, 25 percent or more of the dollar amount of the awarded contract.

Economic opportunities that are available under Section 3 include job training, employment and contracts. Any employment resulting from these expenditures, including administration, management, clerical support, and construction, is subject to compliance with Section 3. The cost of placing eligible Section 3 residents in a training program can be covered by Arlington Employment Center's (AEC) CDBG Employment Training Program budget.

The training opportunities component will be managed by AEC. The certification and maintenance of a roster of Section 3 business concerns will be administered by Arlington Economic Development. The Housing Division of CPHD will act as the Section 3 Coordinator and assume responsibility for resolving issues or complaints related to the program and policy.

Citizen Review: The County's nonprofit affordable housing partners (AHC Inc, Robert Pierre Johnson Housing, Wesley Housing Development Corporation and Arlington Partnership for Affordable Housing) have reviewed the policy and endorse its adoption. The Community Development Citizens Advisory Committee reviewed the proposed Section 3 Employment and Training Opportunities Policy.

FISCAL IMPACT: None. There is no impact on net tax support.