

SECTION 3 PLAN

FOR

ARLINGTON COUNTY, VIRGINIA

OFFICE OF ECONOMIC OPPORTUNITY
FAIR HOUSING EQUAL OPPORTUNITY
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RESOLUTION

A RESOLUTION TO ADOPT THE SECTION 3 PLAN
TO COMPLY WITH 24 CFR, PART 135 OF THE
UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT SECTION 3

WHEREAS, the United States Congress passed Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) to further the goal of ensuring that federal funds benefit the residents of projects funded wholly or in part by those funds, and

WHEREAS, Part 135 of Section 3 is to establish the standards and procedures to be followed to ensure that the objectives of Section 3 are met; and

WHEREAS, Arlington County staff has developed a Section 3 Plan in adherence to 24 CFR, Part 135 that more comprehensively addresses the standards and procedures prescribed in the Act; and

WHEREAS, the Section 3 Plan has been reviewed by Arlington County senior staff members and their comments incorporated into the Plan.

NOW, THEREFORE, BE IT RESOLVED THAT the Arlington County Board adopt the Section 3 Plan and authorize the Department of Community Planning, Housing and Development to implement the Section 3 Plan to ensure compliance with Federal Law.

APPROVED AND ADOPTED this _____ day of _____

Barbara Favola, Chairman of the Board

Table of Contents

Page

Introduction.....	4
Section 3 Action Plan	5
Chapter 1.a Employment and Training Goals	5
Chapter 1.b Certification Procedure for Section 3 Program Participants	5-6
Chapter 1.c Preference for Contracting with Section 3 Business Concerns	6
Chapter 2 County Assistance to Contractors.....	7
Chapter 3 Outreach and Notification to Section 3 Businesses.....	8
Chapter 4 Outreach to Participants.....	9
Chapter 5 Employment and Services to Program Participants.....	10
Chapter 6 Contractor's Outreach to Participants.....	11
Chapter 7a Internal Section 3 Complaint Procedure.....	12
Chapter 7b Evidence of Section 3 Certification	12
Chapter 8 Definitions	13-15
Exhibit 1—Certification for Business Concerns Seeking Section 3 Certification.....	16
Exhibit 2—Eligibility Preferences.....	17
Exhibit 3—Section 3 Income Limits.....	18
Exhibit 4—Section 3 Clause.....	19
Exhibit 5—Resident Owned Business Contracting Procedures.....	20
Exhibit 6—HUD Form 60002 Summary Section 3 Report.....	21-23

Introduction

Section 3 of the Housing and Urban Development Act of 1968 aims to promote local economic development, neighborhood economic improvement, and individual self-sufficiency. As amended, Section 3 establishes as Federal policy that the employment and other economic opportunities generated by Federal housing assistance for housing and community development programs should be directed, to "the greatest extent feasible," towards low and very low-income people, particularly those who receive government housing assistance. Section 3 does not provide funds; it governs the use of existing funds. The statute requires all recipients of the U.S. Department of Housing and Urban Development's (HUD) housing or community development funds to make their best efforts to provide employment and training opportunities for low and very low-income people. It establishes a hierarchy for those efforts, which target first, residents of public and assisted housing; second, residents of other neighboring developments also receiving Federal assistance; third, Youthbuild participants; and fourth, homeless people.

When using federal funds that trigger Section 3 requirements, it is the policy of Arlington County to require its subgrantees to ensure that their contractors provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, or marital status, and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

Arlington County implements this policy through monitoring contracts made by its subgrantees to contractors, vendors, and suppliers, to create employment and business opportunities for residents of the County and other qualified low- and very low-income persons residing in the County. Particular emphasis and outreach are placed on residents of Neighborhood Strategy Areas (NSAs), Neighborhood Enhancement Areas (NEAs), Neighborhood Outreach Areas (NOAs) collectively referred to in this document as NSAs, Committed Affordable housing (CAFs) and for those participating in the federal Housing Choice Voucher program and meeting income guidelines stated in Exhibit 3.

The policy aims to result in the recruitment, employment, and utilization of County residents and other eligible persons and business by all contractors working on contracts partially or wholly funded with the United States Department of Housing and Urban Development (HUD) monies. The County's subgrantees shall examine and consider a contractor's or vendor's potential for success by providing employment and business opportunities to County residents prior to acting on any proposed contract award.

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) requires Arlington County to ensure through an adopted Section 3 Plan that employment and other economic and business opportunities generated by the Department of Housing and Urban Development (HUD) financial assistance, to the greatest extent feasible, are directed to low-income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low- and very-low income persons.

Before submitting bids/proposals to the County's subgrantee, all contractors/businesses seeking Section 3 preference will be required to complete certifications, as appropriate, as acknowledgement of the Section 3 contracting and employment provisions required by this section. Such certifications must be adequately documented as referenced in the form.

SECTION 3 ACTION PLAN

The County developed this Section 3 Action Plan with input from various partners and stakeholders. It identifies the goals, objectives, and actions that will be implemented to ensure compliance with the requirements of Section 3.

§1.a Employment & Training Goals

It is the policy of the County that its subgrantees utilize residents and other Section 3 eligible persons and businesses in contracts partially or wholly funded with monies from the Department of Housing and Urban Development (HUD). The County has established employment and training goals that contractors and subcontractors should meet in order to comply with Section 3 requirements. (Reference 24 CFR 135.30 – Numerical goal for meeting the greatest extent feasible requirement). The numerical goal is:

- Thirty percent (30%) of the aggregate number of new hires working on federally-funded capital projects which trigger Section 3 requirements in any fiscal year.

The County will certify Section 3 program participants who reside in Arlington County and who are seeking preference in training and employment by completing and attaching adequate proof of Section 3 eligibility, as required (see Exhibit 2 – Certification for Resident Seeking Section 3 Preference in Training and Employment form).

- All persons living in the County who meet the Section 3 eligibility guidelines can, by appointment, visit with the Arlington Employment Center (AEC) to complete a job readiness assessment.
- Once this assessment is complete, AEC will determine if the individual meets the eligibility requirements and is job ready.
- If the individual is deemed eligible for Section 3 participation by the subgrantee or by the County and deemed not ready for employment, a referral will be made to other County agencies that are better equipped to address the individual's needs, i.e., substance abuse providers, etc.
- The Section 3 job readiness component is a part of the County's commitment to provide economic opportunities and training to residents/eligible participants to become gainfully employed. AEC will refer prospective Section 3 clients on to the Center for Employment Training (CET) and ASTRACOR and will assist, if applicable, with a training slot stipend to be complemented by a PELL grant to cover tuition and printed material for the 30 week training course.

§1.b Resident Hiring Requirements

The County has adopted the following scale for resident hiring that is to be used on all federally-assisted Section 3 applicable construction contracts, service contracts and professional service contracts that contain a labor component.

TOTAL LABOR DOLLARS USE TOTAL CONTRACT AMOUNT FOR SERVICE CONTRACTS	RESIDENT AS A % OF TOTAL LABOR DOLLARS
Labor dollars \$25,000 but less than \$100,000	10% of the labor dollars
\$100,000, but less than \$200,000	9% of the labor dollars
At least \$200,000, but less than \$300,000	8% of the labor dollars

At least \$300,000, but less than \$400,000	7% of the labor dollars
At least \$400,000, but less than \$500,000	6% of the labor dollars
At least \$500,000, but less than \$1 million	5% of the labor dollars
At least \$1 million, but less than \$2 million	4% of the labor dollars
At least \$2 million, but less than \$4 million	3% of the labor dollars
At least \$4 million, but less than \$7 million	2% of the labor dollars
\$7 million or more	1 – ½% of the labor dollars

It is expected that an appropriate number of residents with particular qualifications or a willingness to begin unskilled labor will be able to participate in the County's subgrantee(s) contracted labor efforts. A prime contractor may satisfy resident hiring requirements through its subcontractors, by implementing one or more of the following options:

1. Subcontract or joint venture with a resident owned business. The business must be 51% or more owned by subcontract/joint venture with a business that employs full-time, 30% or more of low and very-income individuals within the County (refer to Exhibit 3), or
2. Direct hiring of low and very low-income neighborhood residents based on the Resident Hiring Scale, or
3. Contractor incurs the cost of providing skilled training for residents in an amount commensurate with the sliding scale set forth in the Resident Hiring Scale, or
4. Contractor makes a contribution to the County's Education Fund to provide assistance to residents to obtain training. The level of contribution would be commensurate with the sliding scale set forth in the Resident Hiring Scale.

§1.c Preference for Contracting with Section 3 Business Concerns

The Section 3 Contract Clause specifies the requirements for contractors hired for Section 3 covered projects which are implemented by the County's subgrantees. The Section 3 Clause must be included in all Section 3 covered project agreements. The Section 3 Contract Clause is included in Exhibit 4. County subrecipients, in compliance with Section 3 regulations, will require contractors and subcontractors (including professional service contractors) to direct their efforts towards contracts to Section 3 business concerns in the following order of priority:

- **Category 1:** Business concerns that are 51% or more owned by residents of the housing development for which the work is performed, or whose full-time, permanent workforce includes 30% of these persons as employees.
- **Category 2:** Business concerns that are 51% or more owned by residents of CAFs, NSAs, or Housing Choice Voucher holders other than the housing development where the work is to be performed; or whose full-time permanent workforce includes 30% of these persons as employees.
- **Category 3:** Business concerns that are 51% or more owned by a Section 3 resident(s), or whose permanent, full-time workforce includes no less than 30% Section 3 residents (category 4 business); or that subcontract in excess of 25% of the total amount of subcontracts to Section 3 business concerns.

The subrecipient's contractors and subcontractors are expected to extend to the greatest extent feasible, efforts to achieve the numerical goals established by the County.

§2 County Assistance to Contractors It is the responsibility of contractors, vendors and suppliers to implement

progressive efforts to attain Section 3 compliance. Any contractor that does not meet the Section 3 numerical goals must demonstrate why meeting the goals were not feasible. Documentation of the inability to meet these numerical goals shall be submitted to the subgrantee and the County's Section 3 Coordinator. All contractors submitting bids or proposals to the County or its subrecipients are required to certify that they comply with the requirements of Section 3. The County's subgrantee will assist contractors with little or no experience in achieving Section 3 hiring and contracting goals by:

- Requiring the contractor to present a list to the subgrantee of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract.
- The County's AEC will provide the contractor with a list of interested and qualified Section 3 residents for construction projects.
- Arlington Economic Development will provide contractor with a list of Section 3 business concerns interested and qualified for construction projects.
- The County's AEC will inform contractor of known issues that might affect Section 3 residents from performing job related duties.
- The County's subrecipient will review the new hire clause with contractors and subcontractors to ensure that the requirement is understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to employ Section 3 program participants before any other person, when hiring additional employees needed to complete proposed work to be performed with HUD (federal) funds.

§3 Outreach and Notification to Section 3 Businesses

The County's subrecipients will use the following methods to notify and contract with Section 3 business concerns when contracting opportunities exist.

- Advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information.
- Provide written notice of contracting opportunities to all known Section 3 business concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to the bid invitation.
- Coordinate pre-bid meetings at which the Section 3 business concerns would be informed of upcoming contracting opportunities in advance.
- Contact the Arlington Economic Development, Business Assistance Development Group, other business assistance agencies, Minority and Women's Business Enterprise (M/WBE) contractor associations and community organizations to inform them of contracting opportunities and to request their assistance in identifying Section 3 businesses.
- Arlington AED will establish relationships with the Small Business Administration (SBA), Minority and Women's Business Enterprise M/WBE association, Community Development Corporations, and other sources as necessary to assist potential Section 3 businesses with educating and mentoring residents with a desire to start their own businesses.
- Refer low income residents to AEC for job training opportunities to obtain necessary skills that will transfer into the external labor market.

§4 Outreach to Participants

The County will develop resources to provide training and employment opportunities to Section 3 program participants by implementing the following:

- Training opportunities offered by AED will be advertised by distributing flyers via mass mailings and posting in common areas of the housing developments as well as all affordable rental housing management offices.
- The resident councils, resident management corporations, as well as neighborhood community organizations will be contacted to request their assistance in notifying residents of the available training and employment opportunities.
- Employment opportunities will be advertised by the contractor by posting job vacancies in common areas of all of the County's Neighborhood Strategy Areas as well as contacting resident councils, resident management corporations, and neighborhood community organizations.
- A database will be developed by AEC of certified Section 3 residents.
- A database will be developed by AEC to maintain a skill assessment of all Section 3 residents.
- A database will be developed of eligible qualified Section 3 Business concerns to contact with respect to the availability of contract opportunities.
- Relationships will be developed with local area employers in an effort to solicit job vacancies to determine skills needed in their workforce, thereby providing training to residents developing skills that will transfer into the external labor market.
- A provision for a specific number of Section 3 program participants to be trained or employed by the contractor will be incorporated into the contract.

§5 Employment and Services for Program Participants

- Through the subcontractor posting notices in public spaces within a one-mile radius around the planned construction site and advertising in local newspapers, AEC will conduct a pre-interview with all eligible Section 3 residents that have responded to outreach efforts prior to being hired by a contractor.
- The pre-interview will assess job readiness (i.e., childcare, transportation, work maturity, job retention skills). Only residents meeting the minimum qualifications of the contractor or subcontractor will be referred to the job site. Residents not deemed job ready would be referred elsewhere. It is imperative that the resident's basic needs are met prior to employment.
- If a resident is referred to a contractor and does not perform satisfactorily due to poor work habits (i.e., tardiness, absenteeism, alcohol/drugs, abusive language, fighting, etc.) she/he will be allowed two additional opportunities to be referred to other contractors. If after that time the resident still does not perform satisfactorily, it will be mandatory that she/he attend and complete a job readiness class, alcohol/drug treatment center, or any other program that he or she may be required to attend. After successful completion the resident will be given the opportunity to be reinstated on the list of residents available for work.
- Residents experiencing job-related problems with contractors should first communicate the problem to the employer. If the problem cannot be solved between the employee and employer, the Section 3 Coordinator will meet with the parties involved to assist in trying to resolve the problem. Residents and employers (contractors or subcontractors) should document problems whenever they occur and record any and all efforts to correct them. The written documentation of the problem should be submitted to the Section 3 Coordinator.
- In order to qualify for employment with contractors, be at least eighteen years of age, and not be involved in any legal action (e.g. criminal and drug activity, gang activity, felonious crimes).
- Residents not interested in construction employment opportunities will be assessed for other skills (clerical, administrative, etc.) and will have the opportunity to receive help with interviewing techniques, mock interviews, resume preparation, application assistance, employment leads, and how to dress for success when conducting a job search.
- Residents interested in pursuing General Equivalency Diploma (GED) and continued training education will be referred to those resources by the Section 3 Coordinator who will maintain bi-weekly contact with residents to monitor progress.

§6 Contractor's Outreach to Participants

Contractors and subcontractors are required to provide employment opportunities to Section 3 residents/participants in the priority order listed below:

a) Category 1 – Section 3 Resident

Residents of the housing development or developments for which the contract shall be expended.

b) Category 2 – Section 3 Resident

Residents of other committed affordable housing units or residing in NSAs.

c) Category 3 – Section 3 Resident

Residents participating in the Housing Choice Voucher program of Arlington County as well as all other residents residing in the County who meet the income guidelines for Section 3 preference (refer to Section 3 Income Limits).

d) Category 4 –County-wide Resident

All income-eligible residents residing within Arlington County. As the County is very small in geographic size, it would not be beneficial to potential Section 3 hires to be limited to a small radius surrounding a project that must adhere to Section 3 rules and policies.

After the award of contracts and prior to beginning work, inform Section 3 participants of the development at which the work will be performed, by providing the following:

1. Names of the Section 3 business concerns to be utilized,
2. Estimates of the number of employees to be utilized for contract,
3. Projected number of available positions, to include job descriptions and wage rates (construction wages consistent with Davis- Bacon),
4. Efforts that will be utilized to seek Section 3 participants. (See Exhibit 2)
5. Notify the Section 3 Coordinator of their interests regarding employment of Section 3 participants prior to hiring. The Section 3 Coordinator will ensure that the participant is Section 3 eligible, by assessing the Section 3 database to ensure job readiness. Additionally, County Attorney's Office will be contacted to ensure that the individuals are not involved in any legal proceedings against/with the County.
6. Submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contact award.
7. Document the performance of Section 3 participants (positive and negative), regarding punctuality, attendance, etc., and provide this information to AEC.
8. Notify immediately AEC of any problems experienced due to the employment of Section 3 participants.
9. Notify immediately AEC if a participant quits, walks off, or is terminated for any reason. The contractor must provide written documentation of all such incidents to support such decisions to the Section 3 Coordinator to determine if an investigation is warranted.

§7 Compliance

§7.a Internal Section 3 Complaint Procedure

In an effort to resolve complaints generated due to non-compliance through an internal process, the County encourages submittal of such complaints to its Section 3 Coordinator as follows:

- Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR 135.
- Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- An investigation will be conducted if complaint is found to be valid. The Section 3 Coordinator will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.
- The Section 3 Coordinator will provide written documentation detailing the findings of the investigation of the County. The Community Development Block Coordinator will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later than thirty (30) days after the filing of complaint.

If complainants wish to have their concerns considered outside of the County, a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunity
United States Department of Housing and Urban Development
451 Seventh Street, SW
Washington, DC 20410

The complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

§7.b. Evidence of Section 3 Certification

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with the County shall complete the Certification For Business Concerns Seeking Section 3 Preference In Contracting and Demonstration of Capability form, which can be obtained from the County's Section 3 Coordinator. The business seeking Section 3 preference must be able to provide adequate documentation as evidence of eligibility for preference under the Section 3 Program. (refer to Exhibit 1)

Certifications for Section 3 preference for business concerns must be submitted to the County's Purchasing Agent prior to the submission of bids for approval. If the County's purchasing agent previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid.

§8 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.

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

Employment Opportunities Generated by Section 3 Covered Assistance – all employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in Section 135.3 (a) (1)). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3 (a) (2)), including management and administrative jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

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

Low-income person – families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum 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 – a metropolitan statistical area (MSA), as established by the Office of Management and Budget.

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

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.

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 51 percent or more owned by Section 3 resident: or
- 2) Whose permanent, full-time employees include persons, at least 30 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 Covered Assistance –

- 1) public housing development assistance provided pursuant to Section 5 of the 1937 Act;*
- 2) public housing operating assistance provided pursuant to Section 9 of the 1937 Act;*
- 3) public housing modernization assistance provided pursuant to Section 14 of the 1937 Act;*
- 4) assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

*not applicable to Arlington County

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

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 Resident – a public housing resident or an individual who resides in the metropolitan area or non-metropolitan county in which the Section 3 covered assistance is expended and who is considered to be a low-to very low-income person.

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.

Workforce Investment Act (WIA) -- The Workforce Investment Act of 1998 (or WIA, Pub.L. 105-220, 112 Stat. 936, 29 U.S.C. § 2801, et seq.) is a United States federal law passed August 7, 1998. The law was enacted to replace the Job Training Partnership Act and certain other Federal job training law with new workforce investment systems. Enacted during Bill Clinton's second term by a Republican Congress, it represented an attempt to induce business to participate in the local delivery of Workforce Development Services. The principal vehicle for this was Workforce Investment Boards (WIBs) which were to be chaired by private sector members of the local community. A majority of Board members were also required to represent business interests.

Youthbuild Programs – programs that receive assistance under The National Affordable Housing Act, Title IV, Subtitle D, 42 U.S.C. 8011, as amended; Housing and Community Act of 1992, Section 164, Public Law 102-550 and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families. For further information, visit the Youthbuild USA site at <http://www.youthbuild.org/site/c.htlRI3PIKoG/b.1223921/k.BD3C/Home.htm>.

Exhibit 1 (to be submitted to the Arlington Economic Development)

CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3 PREFERENCE IN CONTRACTING AND DEMONSTRATION OF CAPABILITY

Name of Business _____

Address of Business _____

Type of Business (circle one): Corporation Partnership Sole Proprietorship Joint Venture

Attached is the following documentation as evidence of status:

For Business claiming status as a Section 3 resident-owned enterprise:

Copy of resident lease Proof of public assistance
Copy of evidence of participation in a public assistance program Other

For a non-Section 3 resident-owned business entity as applicable:

Copy of Articles of Incorporation Certificate of Good Standing Assumed Business Name Certificate
Partnership Agreement List of owners/stockholders Corporation Annual Report Percent Ownership Description
Most Recent Board minutes Appointing Officers Organization chart with names and titles and brief function statement
Additional documentation as needed

For business claiming Section 3 status by subcontracting 25 percent of the dollar awarded to qualified Section 3 business:

List of subcontracted Section 3 business(es) and subcontract amount

For business claiming Section 3 status, claiming at least 30 percent of their workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business:

List of all current full-time employees List of employees claiming Section 3 status
Other evidence of Section 3 status less than 3 years from day of employment

For all business claiming Section 3 status or being a resident-owned Section 3 business, they must provide evidence of ability to perform successfully under the terms and conditions of the proposed contract:

Current financial statement Statement of ability to comply with public policy List of owned equipment
List of all contracts for the past two years

Authorizing Name and Signature (Corporate Seal)

Attested by: _____

Exhibit 2

ARLINGTON COUNTY
RESIDENT EMPLOYMENT OPPORTUNITY DATA
ELIGIBILITY FOR PREFERENCE

Eligibility for Preference

A section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in Section 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

Certification for Resident Seeking Section 3 Preference in Training and Employment

I, _____, am a legal resident of Arlington County and meet the income eligibility guidelines for a low- or very-low-income person as published on the reverse.

My permanent address is: _____

I have attached the following documentation as evidence of my status:

- Copy of lease Copy of receipt of public assistance
- Copy of Evidence of participation Other evidence in a public assistance program.
- in a public assistance program.

Signature _____

Print Name: _____ Date: _____

Exhibit 3

THE COUNTY OF ARLINGTON

SECTION 3 INCOME LIMITS

All residents of the _____ NSAs, CAFs, and Housing Choice Voucher Program qualify as Section 3 residents. Additionally, individuals residing in Arlington County who meet the income limits set forth below, can also qualify for Section 3 status.

A picture identification card and proof of current residency is required.

Eligibility Guideline

Number in Household	Very Low Income	Low Income
1 individual		
2 individuals		
3 individuals		
4 individuals		
5 individuals		
6 individuals		
7 individuals		
8 individuals		

--

Exhibit 4

Section 3 Clause

All Section 3 covered contracts entered into by subrecipients of HUD funding shall include the following clause (referred to as the Section 3 Clause):

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 or 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 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. Noncompliant entities will have their names submitted to the federal, state, and County debarment lists.

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 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

Exhibit 5

Resident Owned Business Contracting

The Arlington County will authorize subrecipients to use the alternative procurement process (Section 24 CFR Part 963) when contracting with businesses owned in substantial part by CAF, NSA, NEA, NOA and Housing Choice Voucher residents (resident-owned business) for supplies or construction.

To be eligible for the alternative procurement process, a Contractor must submit evidence to the County that shows how each of the following requirements have been met:

- Submit certified copies of any city, state, or county municipal licenses that support the type of business activity for which it performs.
- Disclose to AEC, all owners of the business, as well as, each owners percentage of ownership and names of those individuals who possess the authority to make decisions on a day-to-day basis.
- Submit evidence that the business is able to perform successfully under the terms and conditions of the proposed contract.
- Provide a certified listing of all contracts awarded and received under the alternative procurement process within a two-year period. If a resident-owned business has received under this alternative contracting procedure one or more contracts (within the two-year period) with total combined dollars of \$1,000,000, then it is no longer eligible for additional contracts under the alternative process until the 2-year period is past.

This alternative procurement policy is based upon the procurement procedure and policy set forth in HUD's regulations at 24 CFR, Part 85.36, but applies only to solicitations of resident-owned businesses. Arlington County will authorize the subrecipient to use of the alternative contracting procedure for resident-owned businesses only in cases where it is considered to be in the best businesses, economic and service interests of the authority.

Part II: Contracts Awarded

1. Construction Contracts:

A. Total dollar amount of all contracts awarded on the project	\$
B. Total dollar amount of contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving contracts	

2. Non-Construction Contracts:

A. Total dollar amount all non-construction contracts awarded on the project/activity	\$
B. Total dollar amount of non-construction contracts awarded to Section 3 businesses	\$
C. Percentage of the total dollar amount that was awarded to Section 3 businesses	%
D. Total number of Section 3 businesses receiving non-construction contracts	

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensure that employment and other economic opportunities generated by its housing and community development assistance programs as directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients' compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.

Form HUD-60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.

Instructions: This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any *Public and Indian Housing programs* that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to recipients of housing and community development assistance in excess of \$200,000 expended for: (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; and to *contracts and subcontracts in excess of \$100,000* awarded in connection with the Section-3-covered activity.

Form HUD-60002 has three parts which are to be completed for all programs covered by Section 3. Part I relates to *employment and training*. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F). Part II of the form relates to *contracting*, and Part III summarizes recipients' *efforts* to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.* A recipient of Section 3 covered assistance shall submit two copies of this report to the local HUD Field Office. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, this Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. **Only Prime Recipients are required to report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.**

HUD Field Office: Enter the Field Office name forwarding the Section 3 report.

1. Recipient: Enter the name and address of the recipient submitting this report.
2. Federal Identification: Enter the number that appears on the award form (with dashes). The award may be a grant, cooperative agreement or contract.
3. Dollar Amount of Award: Enter the dollar amount, rounded to the nearest dollar, received by the recipient.
- 4 & 5. Contact Person/Phone: Enter the name and telephone number of the person with knowledge of the award and the recipient's implementation of Section 3.
6. Reporting Period: Indicate the time period (months and year) this report covers.
7. Date Report Submitted: Enter the appropriate date.

8. Program Code: Enter the appropriate program code as listed at the bottom of the page.
9. Program Name: Enter the name of HUD Program corresponding with the "Program Code" in number 8.

Part I: Employment and Training Opportunities

Column A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, surveyors, planners, and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

Column B: Enter the number of new hires for each category of workers identified in **Column A** in connection with this award. New Hire refers to a person who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column C: Enter the number of Section 3 new hires for each category of workers identified in **Column A** in connection with this award. Section 3 new hire refers to a Section 3 resident who is not on the contractor's or recipient's payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of Section 3 covered assistance.

Column D: Enter the percentage of all the staff hours of new hires (Section 3 residents) in connection with this award.

Column E: Enter the percentage of the total staff hours worked for Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions.

Column F: Enter the numbers of Section 3 residents that were employed and trained in connection with this award.

Part II: Contract Opportunities

Block 1: Construction Contracts
Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of all contracts awarded on the project/program.

Item B: Enter the total dollar amount of contracts connected with this project awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards.
Part III: Summary of Efforts – Self -explanatory

Submit one (1) copy of this report to the HUD Headquarters Office of Fair Housing and Equal Opportunity, at the same time the performance report is submitted to the program office. The Section 3 report is submitted by January 10. Include only contracts executed during the period specified in item 8. PHAs/IHAs are to report all contracts/subcontracts.

* The terms "low-income persons" and very low-income persons" have the same meanings given the terms in section 3 (b) (2) of the United States Housing Act of 1937. **Low-income persons** mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that

The Secretary may establish income ceiling higher or lower than 80 per centum of the median for the area on the basis of the Secretary's findings such that variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. **Very low-income persons** mean low-income families (including single persons) whose incomes do not exceed 50 per centum of the median family income 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 family incomes.