

# CITY OF NORFOLK

## SECTION 3 PLAN



### Based on: 24 CFR Part 75

Note: This document applies to Section 3 applicable projects that began on or after Nov 30, 2020. Projects that began prior to November 30, 2020 are subject to the previous requirements found in 24 CFR Part 135

**Updated: June 2021**

# Norfolk – Section 3 Plan Draft

## I. Background

Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1992 (Section 3), contributes to the establishment of stronger, more sustainable communities by ensuring that employment and other economic opportunities generated by Federal financial assistance for housing and community development programs are, to the greatest extent feasible, directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing (12 U.S.C § 1701). For Section 3's implementing regulations, see 24 CFR Part 75. [Note that the previous regulations at 24 CFR Part 135 were rescinded on November 30, 2020]

The Section 3 Program is a means by which HUD fosters local economic development, neighborhood economic improvement, and individual self-sufficiency. Section 3 is the legal basis for providing jobs for residents and awarding contracts to businesses in areas receiving certain types of HUD financial assistance.

Section 3 applies to certain HUD-funding Housing and Community Development projects that complete housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs (including CDBG, CDBG-DR, HOME, and ESG) that provide housing and community development financial assistance **when the total amount of assistance to the project exceeds a threshold of \$200,000**. This threshold is only \$100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs or the Lead-Based Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992.

The \$200,000 assistance threshold applies on a per-project basis, with project defined as “the site or sites together with any building(s) and improvements located on the site(s) that are under common ownership, management, and financing.” Once this threshold is met, this requirement applies to the entire Section 3 project, regardless of whether the project is fully or partially assisted under HUD programs that provide housing and community development financial assistance. Section 3 also applies to all HUD-funded Public and Indian Housing assistance for development, operating, and modernization expenditures.

Section 3 is triggered when the completion of construction and rehabilitation projects creates the need for new employment, contracting, or training opportunities. Section 3 regulations should not be construed to mean that recipients are required to hire Section 3 workers or award contracts to Section 3 business concerns other than what is needed to complete covered projects/activities. If the expenditure of covered funding does not result in new employment, contracting, or training opportunities, the requirements have not been triggered. Section 3 requirements also do not apply to material supply contracts.

Under Section 3 regulations, the City of Norfolk is required, **to the greatest extent feasible**, and consistent with existing Federal, state, and local laws and regulations, ensure that:

- Employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area in which the project is located.
- Contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area in which the project is located.

Under the final rule, recipients that certify that they follow the prioritization in § 75.19 (discussed later in this document) and meet or exceed the following Section 3 benchmarks will be considered to have complied with requirements, in the absence of evidence to the contrary. This benchmark may be updated periodically by HUD. The current benchmarks are:

- 1) Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers (calculated as the number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.)
- 2) Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers, as defined at § 75.21 (calculated as the number of labor hours worked by Targeted Section 3 workers divided by the total number of labor hours worked by all workers on a Section 3 project in the recipient's program year.)

In regard to the above calculations, HUD excludes professional services from the total number of labor hours per § 75.25(a)(4). Professional Services mean non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services.

However, Section 3 Professional service labor hours may be reported, and the respective entity will be given credit for reporting opportunities created for professional services by including professional services labor hours in the numerator, and not in the denominator, of the reported outcome ratios. The effect of this reporting structure is to give a recipient a bonus if they are able to report Section 3 hires in the professional services context.

Note that Section 3 is separate and apart from any small, women, minority or veteran-owned contracting requirements. Under Section 3, women and minority-owned businesses do not receive preferential treatment.

This Section 3 Plan is intended to address all projects not funded by NRHA. NRHA has separate internal contracting goals for Section 3 which are available on the [NHRA Website](#). The Section 3 Coordinator is responsible for the oversight of all hiring. for all projects not funded by NRHA, the Section 3 Coordinator works with the city Agency implementing the project to determine the appropriate Section 3 requirements for the project.

The city reserves the right to implement additional requirements that exceed the requirements established by Section 3 rules.

## II. Section 3 Program: City of Norfolk

### 1) Section 3 Program Goals

The city is committed to the implementation of a Section 3 program that actively strives to ensure that opportunities resulting from federal assistance, to the greatest extent possible, work toward achieving broader community development goals. Furthermore, the city aims to align its efforts related to Section 3 with existing plans and initiatives to maximize collective community benefit. Examples of broader goals and aligned initiatives are outlined below:

#### a) Economic Inclusion Policy

In December 2020, the Norfolk City Council unanimously approved an ordinance which promotes the participation of minority and women-owned businesses in City funded projects. The new Economic Inclusion Plan and Procurement Policy sets aspirational goals for the inclusion of minority and women-owned businesses in City contracts.

The Procurement Policy sets goals around four focus areas: construction projects, enhanced subcontracting, sheltered bidding and micro-business contracting and support. Details include:

- Require developers to provide individual inclusion plans for all construction projects valued over \$5 million
- Mandate an analysis of all solicitations for enhanced subcontracting requirements of up to 50%
- Require certain procurements between \$25,000 and \$5 million to be procured from small, women and minority-owned businesses
- Require certain solicitations between \$25,000 and \$250,000 to be procured from local micro-businesses only

As part of the Plan, the City commits to breaking larger contract opportunities into smaller bid packages to attract small businesses. The Plan sets aspirational goals for 12% minority-owned business and 13% women-owned businesses in total contract amounts associated with multiple redevelopment projects.

#### b) Poverty Reduction Goals

The Norfolk Plan to Reduce Poverty establishes a vision by which “individuals in the City of Norfolk have the opportunity to develop their skills and earn a wage that allows them to thrive, to sustain their families, and to have access to quality housing, education, food, transportation, child care, and healthcare<sup>1</sup>.” Wherever possible, the city is committed to using Section 3 to advance its poverty reduction goals.

#### c) City of Norfolk’s Small Business Initiative

Through the Department of Economic Development’s Small Business Initiative, the city provides technical assistance, training, and resource development to small businesses. The city leverages ongoing and planned efforts within the Small Business Initiative to provide businesses with information and assistance specific to Section 3 contracting opportunities.

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<sup>1</sup> <https://www.norfolk.gov/DocumentCenter/View/16632>

## **2) Roles and Responsibilities**

To achieve its stated goals, the city works in a coordinated fashion amongst city agencies, with its contractors and vendors, and in partnership with key organizations.

### **a) City Agencies/Individuals**

- (1) Section 3 Coordinator: Serves as the city's lead for ensuring compliance under Section 3. Among other responsibilities, the Section 3 Coordinator assists with outreach and training events, tracks and reports Section 3 requirements and goals, and ensures effective coordination amongst city agencies, contractors and vendors, and partner organizations.
- (2) Department of Economic Development - Norfolk Works: Norfolk Works: Norfolk Works provides businesses with connections to local talent and job seekers with support and resources to help apply for Section 3 employment opportunities.
- (3) Other City Departments: Other departments, including but not limited to the Department of Public Works, Department of Transit, Office of Resilience, Office of St. Paul's Transformation, and Utilities. These departments play critical roles in large construction projects and will therefore be involved in the management and oversight of associated Section 3 projects.

### **b) Contractors and Vendors**

City agencies involved in the implementation of the Section 3 Plan utilize their contractors and vendors to support their efforts, including the organization and facilitation of outreach and engagement to residents and businesses, completing project and program design to maximize Section 3 contracting opportunities, and ensuring compliance with applicable regulatory requirements.

### **c) Strategic Partners**

Other strategic partners who may be involved in Section 3 coordination and workforce development efforts include the Norfolk Redevelopment and Housing Authority, the Urban League of Hampton Roads, the Virginia Small Business Development Center (SBDC), Virginia Employment Commission, and the Hampton Roads Workforce Council.

## **3) Section 3 Participants and Levels**

CFR 75.19 describe the requirements and priorities for employment and training, and contracting.

### **a) Section 3 Business Concerns**

A Section 3 business concern is defined as "a business concern meeting at least one of the following criteria, documented within the last six month period:

- i) It is at least 51 percent owned and controlled by low- or very low-income persons;
- ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
- iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing."

Businesses that meet the above definition receive priority for contracting on Section 3 projects. However, the city is not required to contract or subcontract with a Section 3 business concern, and Section 3 business concerns are not exempt from meeting the specifications of the contract.

Where feasible, priority for contracting opportunities will be given to:

- i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and
- ii) YouthBuild programs.

To certify as a Section 3 business concern with the City of Norfolk, contractors and vendors are required to complete a Section 3 Business certification form. These forms are located in the Appendix.

**b) Section 3 Workers and Targeted Section 3 Workers**

For training and employment under Section 3 projects, Section 3 workers and Targeted Section 3 workers receive priority. The current goals/benchmarks of the program are that twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers, and that five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers. This benchmark may be updated periodically by HUD.

Section 3 workers are defined by 24 CFR 75.5 as "any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:

- i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
- ii) The worker is employed by a Section 3 business concern.
- iii) The worker is a YouthBuild participant

Targeted Section 3 workers means a Section 3 worker who is:

- (1) A worker employed by a Section 3 business concern; or
- (2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
  - i) Living within the service area or the neighborhood of the project; or
  - ii) A YouthBuild Participant

A section 3 worker who meets the above definition receives priority on Section 3 projects. However, the City is not required to employ someone who meets this definition, and Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

Where feasible, priority for opportunities and training will be given to:

- i) Section 3 workers residing within the service area or the neighborhood of the project, and
- ii) Participants in YouthBuild programs

To certify as a Section 3 worker, individuals are required to complete a Section 3 worker certification form. These forms are located in the Appendix.

Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established.

**c) Income Limits**

The definition of "low income person" in 12 U.S.C. 1701u and 24 CFR 75.5 is the basis for eligibility as a Section 3 worker. HUD updates the income limits annually. The annual income limits can be found on [HUD's website](#).

- Low Income is defined as 80% or below the median income of that area.
- Very Low Income is defined as 50% or below the median income of that area.

### **III. Section 3 Applicability**

#### **1) Dollar threshold**

Per Federal regulations, Section 3 (24 CFR 75.3(a)(2)) requirements are triggered for the entire Section 3 project when:

- The total amount of HUD program assistance (in the case of CDBG, CDBG-DR, HOME, or ESG) to housing rehabilitation, housing construction, and other public construction projects exceeds a threshold of \$200,000.
- The total amount of HUD program assistance (in the case of Lead Hazard Control and Healthy Homes programs or the Lead-Based Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992) exceeds a threshold of \$100,000.

#### **2) Scope thresholds**

The City of Norfolk receives HUD funding on an annual basis. As outlined in Section IV below, the city maximizes outreach efforts for the annual funding to Section 3 business concerns and workers.

**Job Training/Workforce Development:** The Section 3 Coordinator will work with Norfolk Economic Development Department's Norfolk Works program to discuss the project needs. Based on the level and type of hires expected to be made available as a result of the project, and the limited resources available to Norfolk Works, the city may choose to activate a workforce training task force for the project.

### **IV. Outreach**

To maximize efforts toward achieving the stated Section 3 goals, the city provides outreach comprised of informational sessions and workshops made available to contractors, Section 3 business concerns, small businesses, micro-enterprises and potential Section 3 workers.

The Section 3 Coordinator provides Section 3 outreach as part of the Annual Plan process. At a minimum, annual outreach will include the following:

- As part of public input session associated with the Annual Plan process, the Section 3 Coordinator will provide those in attendance with information concerning Section 3 eligibility under its entitlement programs.

Subsequent to the approved Annual Plan, each identified Section 3 project will also trigger project-based outreach. The Section 3 Coordinator and responsible city agency will work together to determine what outreach is appropriate based on the scope of the project. Standard outreach mechanisms are outlined below; however, this does not preclude the Section 3 Coordinator and the responsible agency from determining additional outreach mechanisms. The Section 3 Coordinator is responsible for documenting all outreach efforts. At a minimum, project-based outreach will include the following:

- Notify potential Section 3 workers of training and employment opportunities generated by Section 3 projects, through the following:
  - (1) publish a notice in the local newspaper to solicit Section 3 workers; and
  - (2) notify the Virginia Employment Commission of all job openings.
- Encourage the use of Section 3 business concerns in contracting opportunities generated by Section 3 projects, through the following:
  - (1) publish a notice in the local newspaper to solicit Section 3 business concerns; and
  - (2) Include language in formal procurements that informs contractors that the project is a Section 3 project and provide a link to the city's Section 3 plan.
  - (3) Review the Section 3 obligations with contractors and subcontractors at pre-bid meetings for potential bidders.

Based on the projects available, the Section 3 Coordinator will develop an appropriate outreach plan, which may include a combination of the approaches below.

## 1) Informational Sessions

Informational sessions are events which educate and inform potential contractors, Section 3 business concerns, small businesses, micro-enterprises and Section 3 workers about upcoming opportunities and the Section 3 requirements. These sessions are intended to outline the nature and scope of the project for all interested parties and introduce strategic partners, contractors, residents and Section 3 business concerns, small businesses and micro-enterprises to upcoming opportunities. Based on the scale and scope of the project, there may be more than one informational meeting to provide updates on the scope through the design and planning period.

If there are key outreach events already planned for the project, the Section 3 informational sessions may occur in coordination with those meetings. The informational sessions may be advertised in mailings, posted notices, on the websites of supporting agencies, and by direct outreach to local, regional and state partners, or other relevant contractor associations and community organizations.

Informational sessions are held at locations convenient for the target group(s), including at public housing developments near the proposed project site. However, in the event of a Federal, State, or Local Emergency Declaration, virtual events may substitute.

## **2) Outreach to Potential Contractors**

The Section 3 Coordinator or other relevant stakeholders may proactively engage potential contractors to provide them with an overview of the Section 3 requirements and the resources available to support them sourcing and hiring Section 3 workers and Section 3 business subcontractors. The agenda of the information sessions is targeted at large contractors focused on subcontracting with Section 3 business concerns and small contractors who may hire Section 3 workers directly. This may be included as part of the pre-bid meeting.

The informational sessions cover the following topics:

- Overview of the Section 3 requirements
- Details of the project and scope, mapping tasks and potential job needs or training programs for Section 3 workers
- An opportunity to provide feedback on the needs and challenges contractors and businesses anticipate fulfilling the Section 3 requirements and ways that the supporting agencies can help address these obstacles

## **3) Outreach to Businesses**

The Section 3 Coordinator or other stakeholders may also lead information sessions with Section 3 certified businesses and businesses interested in getting certified to prepare them to engage with potential prime contractors. Outreach efforts should include micro-enterprises and small businesses.

Informational sessions for businesses cover the following topics:

- Overview of the Section 3 certification process
- If there are active or upcoming opportunities, then an overview of the project and scope, mapping opportunities to potential roles Section 3 business concerns could fulfill, and potential jobs Section 3 workers might fill with Section 3 business concerns

## **4) Outreach to Individuals**

The Section 3 Coordinator or other stakeholders may also provide informational sessions for potential Section 3 workers. These informational sessions focus on helping residents to make use of available training programs and prepare for job opportunities working on the proposed project.

These sessions cover the following topics:

- An overview of Section 3 and the workforce training opportunities around Hampton Roads
- If there are active or upcoming opportunities, then an overview of the project and scope, mapping opportunities for employment to the training programs available

## **5) Workforce Training**

The City of Norfolk has robust workforce training programs. The city intends to leverage these programs where appropriate. For large-scale projects, the Section 3 Coordinator will meet with Norfolk Works to determine how a workforce training task force could assist in identifying key workforce development strategies to engage the citizens of the City of Norfolk, and particularly those Section 3 business concerns and workers.

### **a) Task Force Development**

After the assessment of the project with the Section 3 Coordinator and Norfolk Works, and determination that a workforce training task force is the appropriate path to take, Norfolk Works takes the lead on convening a task force of local workforce agencies that have training programs most closely aligned with the incoming jobs. Specific task force members are selected based on the project needs.

Once a contractor or entity is procured to manage or use the funds, the human resources managers from the companies meet with the task force on a quarterly basis (or more frequently as determined by the needs of the project) to outline a universal referral process, community hiring events, and other recruitment initiatives to satisfy the businesses' Section 3 hiring requirements and their need for qualified talent.

### **b) Task Force Outcomes**

The Task Force identifies a process for referrals and needed hiring events, which are incorporated, as appropriate, into informational sessions for the Section 3 projects. If the Task Force determines that there is a need for a development of a specific workforce for a project, the Section 3 Coordinator works with the Task Force, Norfolk Works, and the agency responsible for implementation of the project to determine the timeframe for the training, the skills needed, and the funding for the training program. If appropriate, the Hampton Roads Workforce Council, One Stop Workforce Center is engaged to discuss on the job training for certain skill sets.

## **6) Ongoing Technical Assistance**

Once outreach is complete, the Section 3 Coordinator will provide technical assistance to ensure individuals and business owners understand what is required of them moving forward.

## **V. Section 3 Reporting and Recordkeeping**

The city is required to report to HUD annually on all Section 3 activities. The Section 3 Coordinator will gather and analyze all data and submit all required reports to the city's HUD Compliance Manager.

### **a) Reporting Process**

The Section 3 Coordinator is responsible for gathering and analyzing all data on covered projects and drafting the annual report. The drafted report is forwarded to the city's HUD Compliance Manager to upload to HUD's Section 3 Performance Evaluation and Registry System.

A **Section 3 Opportunity Plan** located in the Appendix must be completed by bidders or applicants seeking contracts with the City of Norfolk for a Section 3 project. The Section 3 Opportunity Plan must be submitted with the project bid or grant application.

Awarded contractors are also required to submit **Section 3 Summary Reports** located in the Appendix throughout the life of the project to show progress to meeting the Section 3 goals. The Section 3 Summary Report must be submitted monthly, throughout the life of the project, plus a final report due within 30 days of the completion of the project.

Documentation of compliance with these requirements is required to be maintained for at least five years after project closeout. This includes documentation to ensure that Section 3 residents and Section 3 Business Concerns meet the appropriate definitions.

### **b) Compliance**

The Section 3 Coordinator will monitor all city contracts that have Section 3 compliance requirements. The Section 3 Coordinator works with the agency responsible for implementing the project to coordinate and facilitate Section 3 monitoring. The Section 3 Coordinator is responsible for periodic compliance checks for all Section 3 contracts.

Compliance shall consist of a comprehensive analysis and evaluation of the contractor's compliance efforts with the requirements and obligations outlined in the contract. The Section 3 Coordinator may engage the agency responsible for the implementation of the project to assist with the reviews and enforcing compliance.

Where the Section 3 Coordinator's review of a contract reveals that a contractor has not complied with Section 3 requirements, the Section 3 Coordinator shall undertake any and all efforts to help the contractor become compliant. Continued failure or refusal by the contractor to comply with the Section 3 requirements may result in the suspension or termination of a contract.

## **VI. Section 3 Complaints**

In an effort to resolve complaints generated due to non-compliance through an internal process, the City of Norfolk 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 75.
- 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.
- Within fifteen (15) days of timely filing of a complaint, the Section 3 Coordinator will provide written documentation detailing the findings of the investigation. The HUD Compliance Manager 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 City of Norfolk a complaint may be filed with:

U.S. Department of Housing and Urban Development  
Richmond Field Office  
600 East Broad Street, 3rd Floor  
Richmond, VA 23219-4920

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 Richmond Field Office for good cause shown.

## **VII. Section 3 Clause for Covered Contracts**

At a minimum, solicitations for work on Section 3 projects shall include the regulatory language in the Appendix. Additional language may be added on a case by case basis as determined by the scale, scope, and needs of the project(s) that the contract covers.

## **Appendix**

### **Section 3 Project Solicitation Packet**

**Based on: 24 CFR Part 75**

Note: This document applies to Section 3 applicable projects that began on or after Nov 30, 2020. Projects that began prior to November 30, 2020 are subject to the previous requirements found in 24 CFR Part 135

**Updated: June 2021**

# Section 3 Project Solicitation Packet Overview

## **Section 3 Requirements**

This project is governed by Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701u], which gives preference to low-to very low-income residents of the local community (regardless of race or gender); and the businesses that substantially employ these persons, for new employment, training and contracting opportunities.

## **Section 3 Opportunity Plan Certification**

A Section 3 Opportunity Plan Certification must be completed by bidders or applicants seeking contracts from the City of Norfolk for a Section 3 covered project, including: Subcontractor/Supplier Solicitation and Utilization Form; Commitment to Contracting form; Estimated Project Workforce Statement; and Section 3 Business Certification Form (if applicable).

## **Section 3 Business Certification Form**

The Section 3 Business Certification Form must be completed by businesses listed as Section 3 in the Section 3 Opportunity Plan. The certification form must also be submitted with the Section 3 Summary Report when a contract is issued to a Section 3 business after the start of the project.

## **Section 3 Worker Certification Form**

Workers for which Section 3 labor hours are reported on the Section 3 Summary Report must complete a Section 3 Worker Certification Form to document Section 3 status. The Section 3 Worker Certification Form must be completed on time and submitted with the Section 3 Summary Report during the month in which the employee first appears on the summary report.

## **Section 3 Summary Report**

Project award recipients are required to complete and submit a Section 3 Summary Report **monthly** throughout the life of the project, plus a final report due within 30 days of the completion of the project.

## **Section 3 Contractual Requirements**

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 75, 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 75 regulations.

C. The contractor agrees to post a notice advising the 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 75, 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 75. 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 75.

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 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 75.

# Section 3 Opportunity Plan Certification

## PURPOSE

The purpose of the Section 3 Opportunity Plan is to ensure that jobs and economic opportunities generated by the U. S. Department of Housing and Urban Development (HUD) financial assistance for housing and community development programs shall be directed to low- and very low- income persons to the greatest extent feasible, particularly those who are recipients of government assistance for housing and business concerns providing such opportunities.

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BIDDER OR APPLICANT (Business Name)

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RFP # and PROJECT NAME

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CONTACT NAME

TELEPHONE

EMAIL

## REQUIREMENTS

The submitter of this Section 3 Opportunity Plan hereby agrees to comply with all of the provisions of Section 3 as set forth in 24 CFR 75, which implements Section 3 requirements.

The Section 3 Opportunity Plan must be submitted with the Request For Quotation (RFQ), Request For Proposal (RFP), contact response, or grant application to the appropriate Division/Department issuing the applicable request.

Section 3 requires that award recipients, contractors, and subcontractors fulfill the following obligations:

**Employment and training:**

(1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, ensure that employment and training opportunities arising in connection with Section 3 projects are provided to Section 3 workers within the metropolitan area in which the project is located.

(2) Where feasible, priority for opportunities and training described in paragraph (a)(1) of this section should be given to:

- (i) Section 3 workers residing within the service area or the neighborhood of the project, and
- (ii) Participants in YouthBuild programs.

The city strongly encourages the creation of pre-apprenticeship programs, training opportunities, and apprenticeship positions to be made available to Section 3 residents as part of this requirement. If the Contractor has such intentions, a detailed plan for these opportunities should be included as part of the procurement submission.

**Contracting:**

(1) To the greatest extent feasible, and consistent with existing Federal, state, and local laws and regulations, ensure contracts for work awarded in connection with Section 3 projects are provided to business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area in which the project is located.

(2) Where feasible, priority for contracting opportunities described in paragraph (b)(1) of this section should be given to:

- (i) Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and
- (ii) YouthBuild programs.

**Benchmarks:**

To the greatest extent feasible, reach the following benchmarks (these benchmarks may be periodically updated by HUD):

- At least twenty-five (25) percent or more of the total number of labor hours worked on the project are Section 3 workers
- At least five (5) percent or more of the total number of labor hours worked by all workers are Targeted Section 3 workers

If these benchmarks are not met, a narrative explanation of the efforts made to meet the benchmarks is required to be provided by the prime contractor.

**Recordkeeping:**

Awarded contractors are required to submit Section 3 Summary Reports throughout the life of the project to show progress to meeting the Section 3 goals. The Section 3 Summary Report must be submitted **monthly**, throughout the life of the project, plus a final report due within 30 days of the completion of the project. For any benchmark not met, the report shall include a narrative explanation of the efforts made to meet the benchmark, and economic opportunities that the contract recipient has or intends to provide.

The following documents must be completed and submitted with this Plan:

- Subcontractor/Supplier Solicitation and Utilization Form
- Commitment to Contracting
- Estimated Project Workforce Statement
- Section 3 Business Certification Form (if applicable)

Documentation of compliance is required to be maintained for 5 years after project closeout.

**ACKNOWLEDGED BY:**

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PRESIDENT OR AUTHORIZED OFFICER (PLEASE PRINT)

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SIGNATURE

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DATE

**CITY OF NORFOLK**  
**SUBCONTRACTOR/SUPPLIER SOLICITATION AND UTILIZATION FORM**  
**(ALL BIDDERS)**

PROJECT NO. \_\_\_\_\_ CONTRACT I.D. NO. \_\_\_\_\_

All bidders, including **Section 3** Business Concerns bidding as Prime Contractors, shall complete and submit the following information as requested in this form.

The bidder certifies this form accurately represents its solicitation and utilization or non-utilization, as indicated, of the firms listed below for performance of work on this contract. The bidder also certifies he/she has had direct contact with the named firms regarding participation on this project.

**BIDDER** \_\_\_\_\_ **SIGNATURE** \_\_\_\_\_

TITLE \_\_\_\_\_ DATE SUBMITTED \_\_\_\_\_

**SUBCONTRACTOR/SUPPLIER SOLICITATION AND UTILIZATION FORM (ALL)**

NOTE: ATTACH ADDITIONAL PAGES, IF NECESSARY.

**BIDDER MUST SIGN ADDITIONAL SHEET TO CERTIFY ITS CONTENT AND COMPLETION**

## **Commitment to Contracting**

**To be completed by bidders or applicants** seeking funding under a City of Norfolk Section 3 covered program.

**Project Name** \_\_\_\_\_

Company/Organization \_\_\_\_\_

**Submitted By** \_\_\_\_\_

**Total Proposed Project Amount:** \$ \_\_\_\_\_

The businesses listed below are identified as Section 3 business concerns and included in the official bid response or application for project funding. The information is provided to comply with the Section 3 Opportunity Plan requirements by the City of Norfolk.

\*calculated as the number of labor hours worked by Section 3 workers divided by the total number of labor hours worked by all workers. All workers employed by a Section 3 Business Concern are considered Section 3 workers.

## Estimated Project Workforce Statement

Project Name \_\_\_\_\_

Company/Organization\_\_\_\_\_

Submitted By \_\_\_\_\_

The bidder or applicant hereby submits this statement that identifies \_\_\_\_\_ potential employment opportunities, representing number of Full Time Equivalents (FTEs) during the term of the contract. The bidder or applicant affirms that the jobs identified shall be meaningful employment that may or may not be related to the scope of the services of this project.

The bidder or applicant commits to employ \_\_\_\_\_ Section 3 residents, which represents \_\_\_\_\_% of employment opportunities identified.

The estimated project workforce listed below is provided to comply with the Section 3 Plan requirements established by the City of Norfolk.

| Job Category           | Anticipated Hires Within the first 3 months (By FTE) | Anticipated Hires Within the first 6 months (By FTE) | Total Full Project Anticipated Hires (By FTE) |
|------------------------|--|--|---|
| Administrative         |  |  |   |
| Carpentry              |  |  |   |
| Case Management        |  |  |   |
| Clerical               |  |  |   |
| Electrical             |  |  |   |
| Facilities/Maintenance |  |  |   |
| Masonry                |  |  |   |
| Plumbing               |  |  |   |
| Professional           |  |  |   |
| Technical (IT, etc)    |  |  |   |
| Other: _____           |  |  |   |
| <b>Totals</b>          |  |  |   |

## Section 3 Business Certification Form

### City of Norfolk

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Businesses seeking Section 3 status and preference in contract by the City of Norfolk must complete and submit a Section 3 Business Certification Form.

Business Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Federal Employer Identification Number \_\_\_\_\_ DUNS/UEI Number \_\_\_\_\_

#### Type of Business

Corporation       Partnership       Sole Proprietorship       Joint Venture

#### Please select one of the following three qualification methods for status as a Section 3 business.

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**51 % or more owned and controlled by low- or very low-income persons**

The following documents may be required in the future as added confirmation of status:

- Complete list of owners
- Income documentation necessary to confirm low-income status

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

The following documents may be required in the future as added confirmation of status

- Payroll and timekeeping records over the associated 3-month period
- Evidence of Section 3 worker status of each identified Section 3 worker

**At least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.**

The following documents may be required in the future as added confirmation of status

- Complete list of owners
- Evidence of public housing or Section 8 housing status

By submitting this form, my business certifies that the statements and information contained on this form are true and accurate, and meet the required HUD Section 3 business self-certification eligibility requirements in accordance with 24 CFR Part 75. Information that is misrepresented on this form will be grounds for terminating Section 3 certification, or any contract(s) that may be awarded. Firms that misrepresent their eligibility to receive preference as a Section 3 business may face financial or criminal penalties.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_ Title \_\_\_\_\_

# Section 3 Worker Self-Certification Form (Self-Certification)

## City of Norfolk

This form is to be completed by residents seeking Section 3 worker status and the preference in training and employment or by new employees working on Section 3 projects.

### Eligibility:

Please check all that apply.

- I'm a resident of a public housing development under Norfolk Redevelopment and Housing Authority
- I participate in a Section 8-assisted housing program
- I am a Youthbuild Participant
- My individual income for the previous calendar year falls below the HUD income limit for 1 person in the Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area  
<https://www.huduser.gov/portal/datasets/il.html>

### Certification:

I certify that the information provided is true and correct. I also agree that the information contained may be shared with other agencies in order to verify eligibility or ineligibility if necessary. I understand that anyone who fraudulently covers up a material fact or who knowingly gives false information required for eligibility determination is subject to prosecution under applicable criminal law.

Print Name \_\_\_\_\_

My permanent address is: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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- Check if this participant also qualifies as a Targeted Section 3 Worker

Targeted Section 3 workers means a Section 3 worker who is:

- (1) A worker employed by a Section 3 business concern; or
- (2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
  - i) Living within the service area or neighborhood of the project (within one mile of Section 3 project); or
  - ii) A YouthBuild Participant

# Section 3 Worker Certification Form (THIRD PARTY)

## City of Norfolk

This form is to be completed by an employer, Public Housing Authority, or owner/property manager of Section 8-Assisted housing to document Section 3 worker status for individuals working on Section 3 projects.

### Worker Information:

Full Name \_\_\_\_\_

Permanent address: \_\_\_\_\_

### Eligibility:

Please check all that apply.

The worker is a resident of Section 8-assisted housing or public housing development under Norfolk Redevelopment and Housing Authority

The worker is employed by a Section 3 Business Concern: \_\_\_\_\_

Based on the employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis, the employee's income falls below the HUD income limit for 1 person in the Virginia Beach-Norfolk-Newport News, VA-NC HUD Metro FMR Area.

<https://www.huduser.gov/portal/datasets/il.html>

### Certification:

I certify that the information provided is true and correct. I also agree that the information contained may be shared with other agencies in order to verify eligibility or ineligibility if necessary. I understand that anyone who fraudulently covers up a material fact or who knowingly gives false information required for eligibility determination is subject to prosecution under applicable criminal law.

Third Party Entity Name \_\_\_\_\_

Third Party Entity Address: \_\_\_\_\_

Representative completing this form: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Check if this participant also qualifies as a Targeted Section 3 Worker

Targeted Section 3 workers means a Section 3 worker who is:

(1) A worker employed by a Section 3 business concern; or  
(2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:

- a. Living within the service area or neighborhood of the project (within one mile of Section 3 project); or
- b. A YouthBuild Participant

# SECTION 3 SUMMARY REPORT

Company Name \_\_\_\_\_ Report Period (month/year) \_\_\_\_\_

Contact Name \_\_\_\_\_ Date Report Submitted \_\_\_\_\_

Phone Number \_\_\_\_\_ Project Award Amount \_\_\_\_\_

Project Name \_\_\_\_\_ Project Award Date \_\_\_\_\_

## Part I: Labor Hours Report

Note: Labor hours reported must include the total number of labor hours worked on the Section 3 project, including labor hours of the prime contractor and subcontractor(s).

| A                       | B  | C   | D                                    | E                                      | F   |
|-------------------------|--|---|--------------------------------------|--|---|
| Job Category            | Number of Section 3 Labor Hours Provided | Number of Targeted Section 3 Labor Hours Provided | Number of Total Labor Hours Provided | Percent of Section 3 Labor Hours (B/D) | Percent of Targeted Section 3 Labor Hours (C/D) |
| Non-Professional        |  |   |                                      |  |   |
| Professional (optional) |  |   | N/A                                  |  |   |
| <b>Totals</b>           |  |   |                                      |  |   |

Note: Section 3 workers' and Targeted Section 3 workers' labor hours may be counted for five years from when their status as a Section 3 worker or Targeted Section 3 worker is established

Note: HUD excludes professional services from the total number of labor hours per § 75.25(a)(4). Professional Services mean non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services. The effect of this reporting structure is to give a recipient a bonus if they are able to report Section 3 hires in the professional services context.

## Part II: Summary and Narrative of Best Efforts

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- to very-low-income persons, particularly those who are recipients of government assistance for housing. Check all that apply.

- Engaged in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- Provided training or apprenticeship opportunities.
- Provided technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching).
- Provided or connected Section 3 workers with assistance in seeking employment including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services.

- Held one or more job fairs.
- Provided or referred Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care).
- Provided assistance to apply for/or attend community college, a four-year educational institution, or vocational/technical training.
- Assisted Section 3 workers to obtain financial literacy training and/or coaching.
- Engaged in outreach efforts to identify and secure bids from Section 3 business concerns.
- Provided technical assistance to help Section 3 business concerns understand and bid on contracts.
- Divided contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- Promoted use of business registries designed to create opportunities for disadvantaged and small businesses.
- Outreach, engagement, or referrals with the state one-stop system as defined in Section 121(e)(2) of the Workforce Innovation and Opportunity Act.
- Other (Please Describe) \_\_\_\_\_  

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I hereby certify that all information contained above is accurate, complete, and current to the best of my knowledge. I understand that if I do not submit a complete Section 3 Report **each month** plus a final report due within 30 days of the completion of the project, as indicated in the instructions, the City of Norfolk reserves the right to withhold payment until a completed Section 3 Summary Report is submitted.

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Print Name of Preparer

Date

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Signature of the Preparer