

EXHIBIT A
Section 3 Plan

Project Name:	
Contractor Name/Address/Phone:	
(Owner Entity):	
Total Cost:	\$
Project Manager Contact Name/Number:	

This Plan prepared by _____ (the “Contractor”) will serve as the Section 3 Plan for _____ (the “Development”) to ensure in compliance with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended. The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended (12. U.S.C. 1701u) (Section 3), is to ensure that training, employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and Local laws and regulations, be directed to the greatest extent possible to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to Business Concerns, which provide economic opportunities to low- and very low-income persons.

Capitalized terms used in this Plan have the meanings set forth in the attached Definitions.

I: NUMERICAL GOALS FOR TRAINING AND EMPLOYMENT OPPORTUNITIES AND CONTRACTING ACTIVITIES

Instructions: Enter a check in the corresponding box.
For Part A, enter the numerical amount of new hires or trainees you will commit to hire. Section 3 Residents should constitute at least 30% or more of the aggregate new hires to be employed. Use Exhibit B, the Resident Self Certification Worksheet, to determine applicant eligibility for Section 3 for each new hire or trainee.
For Part B, enter the dollar amount you will be contracting to Section 3 Business Concerns and the total contract amount into the form in the corresponding text boxes. Covered Contracts awarded to Section 3 Business Concerns should constitute at least 10% of the total dollar amount of all Covered Contracts for building trades and 3% of all other Covered Contracts. If you will be subcontracting multiple contracts to Section 3 Business Concerns, you must indicate this in the opportunity plan (Section II). Use Exhibit C, the Self Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability, to determine applicant eligibility for each Section 3 Business Concern.

PART A:

The General Contractor has committed to employ or train name of geographical area public housing residents and/or low and very low-income area residents in order to comply with its Section 3 requirements. At least 30% of New Hires, estimated to be (**Project the aggregate number of new hires here**) **New Hires** during the term of the contract shall, to the greatest extent feasible, be Section 3 Residents. The Developer affirms that the jobs identified by the staff or contractor shall be for meaningful employment.

AND

PART B

The Contractor has committed to meet Section 3 numerical goals, which require, to the greatest extent feasible, that ten percent (10%) of the total dollar amount of all building trades Covered Contracts will be awarded to Section 3 Business Concerns. Construction contracts for the project have a total dollar amount of \$_____, 10% of which, or \$_____ will be awarded to Section 3 Business Concerns to comply with these requirements. For example, site work contract is \$500,000 and General Contractor's contract is \$1,000,000. The total construction contract is \$1,500,000 and the numerical Section 3 goal is \$150,000.

The Contractor has committed to meet Section 3 numerical goals, which require, to the greatest extent feasible, that three percent (3%) of the total dollar amount of all other Covered Contracts (i.e. contracts for soft costs) will be awarded to Section 3 Business Concerns. Contractor has committed, in entering into Covered Contracts for work other than those for building trades work, to enter into Covered Contracts having a total dollar amount of \$_____, 3% of which of \$_____ will be awarded to Section 3 Business Concerns, to comply with these requirements. For example, architect contract is \$250,000 and civil engineer contract is \$50,000. Total non-building trade work is \$300,000 and the Section 3 numerical goal is 9,000.

For Part A, enter the numerical amount of new hires or trainees you will commit to hire. Section 3 Residents should constitute at least 30% or more of the aggregate new hires to be employed. Use Exhibit B, the Resident Self Certification Worksheet, to determine applicant eligibility for Section 3 for each new hire or trainee.

II: OPPORTUNITY PLAN TO MEET NUMERICAL GOALS IDENTIFIED FOR TRAINING AND EMPLOYMENT OPPORTUNITIES AND CONTRACTING ACTIVITIES

PLAN NARRATIVE

Instructions: Please include a description of the methods to be used to achieve your numerical Section 3 goals. The narrative must include a plan for hiring Section 3 Residents, a plan for contracting with Section 3 Business Concerns, your proposed outreach and notification activities and the date you intend to start your plan. If the Developer/General Contractor is unable to satisfy Section 3 goals, they must state so in the narrative below. Attach additional pages where necessary.

1. What outreach and notification measures will be taken for training and employment opportunities? Your narrative must include signage at the covered project site and notifying the local housing authorities. Other measures for meeting numerical goals may include coordinating with community organizations and public or private agencies, participating in local HUD program or state and local programs which promote the training or employment of Section 3 Residents.

2. What outreach and notification measures will be taken for contracting opportunities? Your narrative must include signage at the covered project site and notifying the local housing authorities. Other measures for meeting numerical goals may include coordinating with community organizations and public or private agencies, participating in local HUD program or state and local programs which promote the training or employment of Section 3 Residents.

3. How will you notify Covered Contractors of their responsibilities for procurement, contract documents, including the Section 3 clause and Section 3 Plans?

4. Develop hiring preferences to assure that Section 3 Residents receive preferred consideration for employment opportunities. Note your hiring preferences below.

Priority consideration shall be given, where feasible, to Section 3 Residents in the following descending order of priority:

- (i) Section 3 Residents residing in the service area or neighborhood in which the section 3 covered project is located (collectively, referred to as category 1 residents); and
- (ii) Participants in HUD Youthbuild programs (category 2 residents); and
- (iii) Other Section 3 Residents.

In order to receive priority in hiring, an applicant must:

- (1) Complete the self-certification form attached as Exhibit B to document that s/he qualifies as a Section 3 Resident; and
- (2) Demonstrate qualification for employment such as:
 - (a) Completion of a job readiness or job training program [provide details];
 - (b) Completion of a building/construction trade apprenticeship program registered with the State of Virginia;
 - (c) Graduation from a nationally accredited educational institution with an associates' or higher level degree or completion of a certificate program from an accredited educational institution;
 - (d) Graduation from a vocational education program approved by the State of Virginia;
 - (e) Professional licensure; or
 - (f) Relevant prior employment.

In each case, the credentials offered must demonstrate qualification for the position(s) available.

5. Develop contracting preferences to assure that Section 3 Business Concerns receive preferred consideration for contracting opportunities. (Developer/General Contractor are encouraged to seek joint ventures and material suppliers where possible.)

Note your contracting preferences below.

In selecting contractors or subcontractors to perform construction-related work for the Project, priority consideration shall be given, where feasible, to Section 3 Business Concerns in the following descending order of priority:

(i) Section 3 Business Concerns that provide economic opportunities for Section 3 Residents in the service area or neighborhood in which the Section 3 Covered Project is located (category 1 businesses);

(ii) Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses); and

(iii) Other Section 3 Business Concerns.

A Business Concern seeking to qualify for a Section 3 contracting preference shall certify or submit evidence, if requested, that the Business Concern is a Section 3 Business Concern as defined in this Section 3 Plan, in the form attached as Exhibit C.

A Section 3 Business Concern seeking a contract or a subcontract shall submit evidence to the Developer or General Contractor (as applicable) sufficient to demonstrate to the satisfaction of the party awarding the contract that the Business Concern is responsible and has the ability to perform successfully under the terms and conditions of the proposed contract. (The ability to perform successfully under the terms and conditions of the proposed contract is required of all contractors and subcontractors.) The potential contractor's record in complying with public policy requirement, including Section 3 compliance, shall be taken into consideration.

6. How will you carry out monitoring activities over Contractors and Subcontractors to ensure compliance with Section 3?

7. How will you ensure that no Contractors are entering into contracts with contractors who have a history of willfully violating Section 3 regulations?

III. COMPLAINTS

Any Section 3 Resident or Section 3 Business Concern may file a complaint with Grantee alleging noncompliance with Section 3 obligations by Grantee, a Contractor of a Covered Project, or any other Covered Contractor. Complaints will be investigated by the Grantee Compliance Manager. A written complaint must include the name and address of the person filing the complaint, the name and address of the party about whom the complaint is being filed (Developer or Covered Contractor), and a description of the alleged act or acts in violation of Section 3.

Written complaints should be filed with Director of Procurement at RRHA. Upon receipt of a written complaint, the Director of Procurement will designate one or more persons to investigate. If it is determined that a Section 3 violation has occurred, the Director of Procurement will notify the Executive Director and, as applicable, the developer and/or Covered Contractor, as to corrective measures that will be required, and will respond in writing to the complainant.

Section 3 Residents and Section 3 Business Concerns may also file a complaint with HUD, either through the local FHEO office or HUD's FHEO office in Washington, or may seek judicial relief.

IV. REPORTING

The Developer/General Contractor/Subcontractors will submit weekly certified payrolls, in accordance with Davis Bacon [29 CFR §1]. Additionally, the Developer/General Contractor are responsible for ensuring all monthly activities for outreach, training, hiring and contracting are submitted to Grantee with the monthly payout request for both the Developer/General Contractor and their covered contracts.

V. PENALTIES FOR NONCOMPLIANCE

Grantee may, in its discretion, withhold funding if a Developer persistently fails to comply (or cause its Covered Contractor to comply) with Section 3 obligations after notice and an opportunity to address deficiencies in hiring and contracting practices. The loan documents under which Grantee will provide NSP funding to each Covered Project shall entitle Grantee to withhold funding where it appears that a Developer (or its Covered Contractor) is persistently failing to comply with Section 3 obligations. If the Developer fails to bring the Covered Project into compliance with Section 3 obligations, the Grantee may, in its discretion, permanently reduce the loan amount by an amount equal to the difference between the dollar value of all Covered Contracts that were required to be awarded to Section 3 Business Concerns under the numerical goals set forth in this Policy, and the dollar value of Covered Contracts actually awarded to Section 3 Business Concerns. In the event that prior advances under Grantee's NSP loan to a Covered Project exceed the reduced amount of the loan, the Developer shall promptly repay the difference.

We acknowledge our responsibility to meet Section 3 numerical goals and further pledge our commitment to adhere to the objectives set forth.

Developer's Signature		Date
Print Name		
General Contractor's Signature		Date
Print Name		
(Reviewed by) RRHA Section 3 Coordinator Signature		Date
Print Name:		
(Reviewed by) RRHA Compliance Manager Signature		Date
Print Name:		

The Developer and General Contractor AIA Agreement and all subcontractor agreements will include the provisions and attachments set forth below:

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| 1. Exhibit B: Section 3 Resident Self Certification form |
| 2. Exhibit C: Self Certification for Business Concerns Seeking Section 3 Preference in Contracting and Demonstration of Capability form. |
| 3. Exhibit D: Self Certification for MBE/WBE/DBE |
| 4. Exhibit E: Core Employee List |
| 5. Exhibit F: Section 3 Outreach Efforts and Activities form |
| 6. Exhibit G: Acknowledgement of Section 3 Obligations and Materials |
| 7. Exhibit H: Section 3 Clause (to be included in each awarded covered contract) |
| 8. Exhibit I: Code of Federal Regulations |