

Section 3 Plan

Purpose: Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) requires that employment and other economic opportunities generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who receive government assistance for housing and those residing in the community in which the federal assistance is spent.

Instructions: Bidders must complete and submit this form with your post-bid document submission. RFP/RFQ respondents must submit this form as part of your proposal or qualifications submission. All subcontractors employed on Section 3 projects must also complete this form. The successful bidder or respondent must submit all required documentation, including subcontractors' Section 3 Plans, prior to contract award.

Project: _____ **Solicitation #:** _____

Business Name:	Address:
Contact Name:	Contact Title:
Phone #:	Email:
Trade / Services Provided:	

Section 3 Requirements

Employment and Training

To the greatest extent feasible, employment and training opportunities arising in connection with Section 3 projects shall be provided to Section 3 workers within the New Orleans metropolitan area.

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

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

Contracting

To the greatest extent feasible, contracts for work awarded in connection with Section 3 projects shall be provided to business concerns that provide economic opportunities to Section 3 workers residing within the New Orleans metropolitan area.

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

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

Compliance Benchmarks

To demonstrate compliance with Section 3, contractors are required to follow the prioritization of effort outlined above and meet or exceed the following benchmarks:

1. **25 percent** or more of the total number of labor hours worked by all workers on the project shall be performed by **Section 3 workers**, and
2. **5 percent** or more of the total number of labor hours worked by all workers on the project shall be performed by **Targeted Section 3 workers**.

Definitions

- **Section 3 worker:** Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:
 - (1) The worker's income for the previous or annualized calendar year is below the income limit established by HUD (*see Income Limits table below*).
 - (2) The worker is employed by a Section 3 business concern.
 - (3) The worker is a YouthBuild participant.
- **Targeted Section 3 worker:** 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 within the past five years fit at least one of the following categories, as documented:
 - (i) Living within the service area or the neighborhood of the project; or
 - (ii) A YouthBuild participant.
- **Section 3 business concern:** A business meeting at least one of the following criteria, documented within the last six-month period:
 - (1) It is at least 51 percent owned and controlled by low- or very low-income persons;
 - (2) Over 75 percent of the labor hours performed for the business over the prior three-month period were performed by Section 3 workers who are currently, or were at the time of hire within the last five years: i) low-income persons or ii) YouthBuild participants; or
 - (3) The business is at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
- **Service area or the neighborhood of the project:** An area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

HUD Income Limits

The table below shows the income limits set by HUD that determine eligibility for certain programs, including Section 3. HUD develops income limits based on Area Median Income (AMI) estimates and Fair Market Rent (FMR) area definitions. For more information, please see the HUD Income Limits Documentation System online at www.huduser.gov/portal/datasets/il.html.

New Orleans-Metairie, LA HUD Metro FMR Area

Fiscal Year	Low-income (80% of AMI)
2017	\$35,500
2018	\$36,750
2019	\$37,750
2020	\$39,450
2021	\$39,300

The New Orleans-Metairie, LA HUD Metro FMR Area contains the following parishes: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. John the Baptist, and St. Tammany.

1. Does your business qualify as a Section 3 business concern? **YES** **NO**

(See the definition of "Section 3 business concern" above.)

If you answered YES, complete the Section 3 Business Certification form on p. 6 and submit with this Plan. If you answered NO, you do not need to complete the Section 3 Business Certification.

4. Do you commit to engaging in good faith efforts to meet or exceed the Section 3 Benchmarks?

YES NO

Contractors subject to Section 3 are obligated to engage in good faith efforts to satisfy the compliance benchmarks and provide economic opportunities to Section 3 workers and business concerns. Contractors unable to meet the benchmarks must report on the qualitative nature of their efforts. Such efforts include, but are not limited to:

- a. Engaging in outreach efforts to generate job applicants who are Targeted Section 3 workers, including posting job openings at the job site, HUD Opportunity Portal, social media pages, and other platforms;
- b. Consulting with local YouthBuild programs, Louisiana Workforce Commission, JOB 1, or other community organizations to assist with training and recruiting Section 3 workers and Targeted Section 3 workers;
- c. Providing training or apprenticeship opportunities;
- d. Providing technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching);
- e. Providing or connecting Section 3 workers with assistance in seeking employment, including: drafting resumes, preparing for interviews, finding job opportunities, and connecting residents to job placement services;
- f. Holding job fairs;
- g. Providing or referring Section 3 workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, childcare);
- h. Providing assistance to apply for or attend community college, a four-year educational institution, or vocational/technical, training;
- i. Assisting Section 3 workers to obtain financial literacy training and/or coaching;
- j. Engaging in outreach efforts to identify and secure bids from Section 3 businesses;
- k. Providing technical assistance to help Section 3 business concerns understand and bid on contracts;
- l. Dividing contracts into smaller jobs to facilitate participation by Section 3 businesses;
- m. Providing bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns;
- n. Utilizing the HUD Opportunity Portal and Section 3 business registries designed to create opportunities for Section 3, disadvantaged and small businesses.
 - Visit <https://hudapps.hud.gov/OpportunityPortal/> to post jobs and contracting opportunities.

Assurance of Compliance

The business entity identified above commits to comply with Section 3 of the Housing and Urban Development Act of 1968 (24 CFR Part 75). If awarded a contract subject to Section 3, the business agrees to adhere to all such requirements, including meeting the benchmarks set forth by the regulations, maintaining records of Section 3 activity, providing evidence of qualitative efforts, and submitting compliance reports to the City of New Orleans periodically or upon request. The business will submit any additional documentation as necessary, including updates or revisions to this Section 3 Plan, documentation of labor hours, and certification forms for Section 3 workers and business concerns.

Name _____ **Title** _____

Signature _____ **Date** _____



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Section 3 Business Certification

Businesses seeking Section 3 preference in contracting opportunities shall certify or submit evidence, if requested, that the business qualifies as a Section 3 business concern, as defined in 24 CFR 75.5.

Business Name:	Address:
Contact Name:	Contact Title:
Phone #:	Email:
Trade / Services Provided:	

Section 3 Eligibility:

Does your business qualify as a Section 3 business concern per 24 CFR 75.5? YES NO

Your business qualifies as a **Section 3 business concern** if it satisfies **at least one** of the following criteria, as documented within the last six-month period (check all that apply).

- The business is at least 51% owned and controlled by low- or very low-income persons (see qualifying income limits below, or refer to www.huduser.gov/portal/datasets/il.html).
- More than 75% of the labor hours performed for the business over the prior three-month period were performed by Section 3 workers – *i.e.*, workers who are currently, or were at the time of hire within the last five years: i) low-income persons or ii) YouthBuild participants.
- The business is at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

The City of New Orleans Office of Community Development reserves the right to request additional documentation at any time to verify the information provided on this form.

HUD Income Limits

The income limits for the **New Orleans-Metairie, LA HUD Metro FMR Area** apply to the following parishes: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. John the Baptist, and St. Tammany.

Fiscal Year	Low-income (80% of Area Median Income)
2017	\$35,500
2018	\$36,750
2019	\$37,750
2020	\$39,450
2021	\$39,300

Certification:

By submitting this form, I certify to the truthfulness of the statements and information presented herein. I understand that providing false information is grounds for termination of Section 3 certification. I further understand that qualifying as a Section 3 business concern is not an entitlement or guarantee of contract award. I agree to allow this information to be shared with local and federal entities in an effort to increase my business’s contracting potential.

Signature _____ **Date** _____



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