

## Section 3 Plan

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u and 24 CFR Part 75) requires that employment and 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.

This project will be funded using HUD Housing and Community Development Financial Assistance and is therefore subject to Section 3. The selected bidder, respondent or funding applicant will be responsible for ensuring compliance with all applicable Section 3 requirements. More information as well as Section 3 worker and business certification forms can be found online at [www.nola.gov/section-3/](http://www.nola.gov/section-3/).

**Instructions:** For sealed bids, the two lowest 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 subrecipients, contractors and subcontractors on Section 3 projects must submit this form. The entity receiving a contract from the City of New Orleans must submit all required documentation, including subcontractors' Section 3 Plans, prior to contract award. General questions about Section 3 requirements and forms can be directed to [section3@nola.gov](mailto:section3@nola.gov).

**Project:** \_\_\_\_\_ **Solicitation #:** \_\_\_\_\_

Business Name:	Address:
Authorized Representative:	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:

1. Section 3 workers residing within the service area or neighborhood of the project, and
2. 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:

1. Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project, and
2. 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.
- **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](http://www.huduser.gov/portal/datasets/il.html).

**New Orleans-Metairie, LA HUD Metro FMR Area**

Fiscal Year	2022	2021	2020	2019	2018	2017
Low-income (80% AMI)	<b>\$43,900</b>	<b>\$39,300</b>	<b>\$39,450</b>	<b>\$37,750</b>	<b>\$36,750</b>	<b>\$35,500</b>

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**

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.

A **Section 3 business concern** is a business that satisfies **at least one** of the following criteria, as documented within the last six-month period:

- a. The business is at least 51% owned and controlled by low- or very low-income persons;
- b. The business is at least 51% owned and controlled by residents who currently live in public housing or Section 8-assisted housing; or
- c. Over 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 currently are, or when hired within the past five years were: i) low-income persons or ii) YouthBuild participants.

## 2. How many workers are needed to complete the project?

Please list the job classifications and number of workers your company will need to complete the contract work. Attach additional sheets if necessary.

<b>Job classification</b> (Office/Clerical, Manager, Engineer, Technician, Supervisor/Foreman, Electrician, Plumber, Laborer, Trainee, Security, etc.)	<b>Total estimated number of workers needed</b>	<b>Number of workers in current workforce</b>	<b>Estimated number of additional workers needed</b>

## 3. Will you be using subcontractors on this project?

**YES**

**NO**

If you answered YES, please list below. Attach additional sheets if necessary.

<b>Business name</b>	<b>Scope of work (trade or service description)</b>	<b>Is this a Section 3 business? Yes / No</b>	<b>Estimated contract value</b>
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$
			\$

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

YES

NO

Such qualitative efforts may include, but are not limited to:

- Applicant Outreach –
  - Engage 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.
  - Clearly indicate Section 3 eligibility on all job postings, notifications, and advertisements with the following statement: *“This is a Section 3 eligible job opportunity. We encourage applications from individuals that are low-income, live in public housing, and/or receive a Section 8 voucher.”*
  - Include the Section 3 Worker Self-Certification form in all job postings.
- One-Stop / YouthBuild Outreach – Engage in outreach or referrals with local YouthBuild programs, Louisiana Workforce Commission, JOB 1, or other community organizations to assist with training and recruiting Section 3 and Targeted Section 3 workers.
- Training and Apprenticeship – Provide training or apprenticeship opportunities.
- Job Fairs – Hold one or more job fairs, or sponsor a job informational meeting in the project area.
- Business Concern Outreach –
  - Engage in outreach efforts to identify and secure bids from Section 3 businesses by advertising notices of contracting opportunities and related information on the HUD Opportunity Portal and local community papers.
  - Provide written notice to all known Section 3 business concerns, with sufficient time for interested businesses to respond to bid invitations.
  - Send notice of contracting opportunities to local community development organizations, business development organizations, or minority contracting associations.
  - State clearly in all notices that the contracting opportunity is Section 3 eligible, and include a copy of the Section 3 Business Concern Certification form.
- Competition Assistance – Provide technical assistance to help Section 3 business concerns understand and bid on contracts.
- Contract Sizing – Size, split, or divide contracts into smaller jobs to facilitate participation by Section 3 business concerns, particularly where economies of scale or efficiency of delivery are not factors. [2 CFR 200.321(b)(3)]
- Bidder Viability Support – Provide bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- Business Registries – Promote use of the HUD Opportunity Portal or other business registries designed to create opportunities for disadvantaged and small businesses.
  - Visit <https://hudapps.hud.gov/OpportunityPortal/> to post jobs and contracting opportunities.

Additional activities and efforts aimed at increasing economic opportunities for Section 3 workers and businesses may include, but are not limited to:

- Employment Assistance – Provide technical assistance to help Section 3 workers compete for jobs, or connect them with assistance in seeking employment, including resume assistance, interview preparation, coaching, or job placement services.
- Work Readiness and Retention – Provide or refer Section 3 workers to services supporting work readiness and retention, such as interview clothing, licensing or testing fees, transportation, or childcare.
- Financial Literacy – Help Section 3 workers obtain financial literacy training or coaching.
- Education Assistance – Provide assistance to Section 3 workers to apply for or attend community college, four-year educational institution, or vocational/technical training.

**5. Do you commit to prioritize your efforts in hiring, training, and contracting as required by the Section 3 regulations and outlined on page 1 of this Plan?**

**YES**

**NO**

**Certification**

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.

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**Authorized Representative Signature**

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**Date**



### Section 3 Business Certification

Section 3 requires that, to the greatest extent feasible, contracts for work awarded in connection with Section 3 projects shall be provided to Section 3 business concerns, as defined in 24 CFR 75.5.

Business Name:	Address:
Authorized Representative:	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](http://www.huduser.gov/portal/datasets/il.html)).
- The business is at least 51% owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
- Over 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 currently are, or when hired within the past five years were: i) low-income persons or ii) YouthBuild participants.

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	2022	2021	2020	2019	2018	2017
Low-income (80% AMI)	\$43,900	\$39,300	\$39,450	\$37,750	\$36,750	\$35,500

#### **Certification:**

By submitting this form, I hereby certify under penalty of perjury that the information provided above is true and correct. 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.

\_\_\_\_\_  
**Authorized Representative Signature**

\_\_\_\_\_  
**Date**

