

**SECTION 3 STRATEGY  
AFFIRMATIVE ACTION PROGRAM  
IMPLEMENTING  
SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT  
OF 1968**

**Employment Opportunities for Businesses  
and Lower Income Persons  
in Connection With  
HUD-Assisted Projects**

CONTRACTOR'S NAME	PROJECT NAME
ADDRESS - ZIP CODE	PROJECT NUMBER
EEO OFFICER	PROJECT LOCATION (City, County, State)
AREA CODE - PHONE NUMBER	CONSTRUCTION STARTING AND COMPLETION DATE

SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

Housing and Urban Development Regulations implementing Section 3 of the Housing and Urban Development Act of 1968 requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.

As evidence of compliance, the undersigned certifies that he/she will:

- (1) Take affirmative steps to hire and train lower income residents of the project area,
- (2) solicit the participation of businesses located in or owned substantially by persons residing in the area of the project, and
- (3) submit the attached Affirmative Action Program Implementing Section 3 of the Housing and Urban Development Act of 1968.

Signed \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

PHA/Company \_\_\_\_\_

I. Projected Work Force Needs for This Project

On Table A, list all projected work force needs for all phases of this project by occupation, trade, skill level and number of positions.

II. Determination of Project Area Boundaries

A. Address of Proposed Project:

\_\_\_\_\_

B. Below, indicate whether this project is located in a Renewal Area.

\_\_\_\_\_  
(Specify)

The project area for purposes of this Section 3 Affirmative Action Plan is

\_\_\_\_\_.

III. Utilization of Lower Income Area Residents as Trainees

- A. For the building construction occupations, the number of trainees or apprentices for each occupation shall be that number which can reasonably be utilized in each occupation on each phase of this project and in no event shall that number be less than the number of trainees or apprentices determined pursuant to regulations issued by the Secretary of Labor for each building construction occupation.
- B. For non-construction occupations or for any building construction occupations for which ratios are not determined pursuant to regulations of the Secretary of Labor, the number of trainees for each occupation shall be that number which can reasonably be utilized in each occupation on each phase of this project.
- C. A determination of the maximum reasonable number of trainees to be used in each trade of occupation is given in Table 1, Column 2, for each trade. Also given in Column 2 is the estimated project work force at each employment for each occupation or trade category to be used on this project.
- D. The Contractor agrees to fill all vacant training positions with lower income project area residents except for those training positions which remain unfilled after a good faith effort has been made.

IV. Utilization of Lower Income Residents as Employees

- A. The number of estimated positions in the various occupational categories which are currently occupied by regular, permanent employees is given in Table A, Column 3.
- B. The number of positions not currently occupied by regular, permanent employees is given in Table A, Column 4.
- C. This company's goal for the number of positions on this project to be filled by lower income residents of the Section 3 project area is stated in Table A, Column 5. (Each contractor is expected to make a good faith effort to fill all the positions identified in Table A, Column 4, with Lower Income Project Area Residents.
- D. This company agrees to develop and complete a final report which is entitled, and accurately reflects, ACTUAL EMPLOYMENT WORK FORCE BREAKDOWN, Table C; said report shall be submitted with the final request for payment.

V. Utilization of Businesses Located in or Owned in Substantial Part by Persons Residing in the Project Area.

- A. In Table B, Column 1, list all contracts to be awarded, described by type of business or

profession, to all businesses in connection with this Section 3 covered project. In Column 2 (Table B) estimate the number of contracts of each type to be let. In Column 3, project the approximate total dollar amount for all contracts of each type.

- B. Based on the information given in Column 1,2 and 3 (Table B), and the availability of eligible business concerns within the project area doing business in professions or occupations I identified, set forth your goals for the number of contracts to be awarded to eligible project area businesses in Column 4, and for the approximate dollar amount to be awarded to project area businesses in Column 5. Eligible project area businesses will be utilized to the greatest extent feasible.

#### VI. Specific Affirmative Action Steps

\_\_\_\_\_ agrees to implement the following specific affirmative

(Name of the Contractor)

action steps directed at increasing the utilization of lower income residents and project area businesses.

- A. To attempt to recruit from the appropriate areas the necessary number of lower income residents through: local advertising media, signs placed at the proposed site for the project, and community organizations and public or private institutions operating within or serving the project area such as Service Employment and Redevelopment (SER), Opportunities Industrialization Center (OIC), Urban League, Concentrated Employment Program or the U. S. Employment Service.
- B. To prominently display a Section 3 Notice at the project site.
- C. To maintain a list of all lower income area residents who have applied either on their own or an referral from any source, and to employ such persons if otherwise eligible and if a vacancy exists.
- D. To insert this affirmative action plan in all bid documents and to require all bidders to submit a Section 3 Affirmative Action Plan including utilization goals and the specific steps planned to accomplish those goals.
- E. To insure that contracts which are typically let on a negotiated rather than a bid basis in areas other than Section 3 covered project areas, are also let on a negotiated basis, whenever feasible, when let in a Section 3 covered project area.

- F. To formally contact unions, subcontractors and trade associations to secure their cooperation for this program.
- G. To insure that all appropriate project area business concerns are notified of pending contractual opportunities.
- H. To maintain records, including copies of correspondence, memoranda, etc. which document that all of the above affirmative action steps have been taken.
- I. To appoint or recruit an executive official of the company as Equal Employment Opportunity Officer to coordinate the implementation of this Section 3 affirmative action plan.

As officers and representatives of \_\_\_\_\_,  
 (Name of Contractor)

we the undersigned have read and fully agree to this Affirmative Action Plan, and become a party to the full implementation of this program.

\_\_\_\_\_  
 (Signature)

\_\_\_\_\_  
 (Title)

\_\_\_\_\_  
 (Date)

\_\_\_\_\_  
 (Signature)

\_\_\_\_\_  
 (Title)

\_\_\_\_\_  
 (Date)

**TABLE A  
ESTIMATED PROJECT WORK FORCE BREAKDOWN**

<b>COLUMN 1</b>	<b>COLUMN 2</b>	<b>COLUMN 3</b>	<b>COLUMN 4</b>	<b>COLUMN 5</b>
<b>JOB CATEGORY</b>	<b>TOTAL ESTIMATED POSITIONS</b>	<b>NO. POSITIONS CURRENTLY OCCUPIED BY PERMANENT EMPLOYEES</b>	<b>NO. POSITIONS NOT CURRENTLY OCCUPIED</b>	<b>NO. POSITIONS TO BE FILLED WITH *LIPAR</b>
<b>Officers/Supervisors</b>				
<b>Professionals</b>				
<b>Technicians</b>				
<b>Hsg. Sales/Rental Mgmt.</b>				
<b>Office/Clerical</b>				
<b>Service Workers</b>				
<b>Others</b>				
<b>Trade:</b>				
<b>Journeyman</b>				
<b>Helpers</b>				
<b>Apprentices</b>				
<b>Maximum No. Trainees</b>				
<b>Others</b>				
<b>Trade:</b>				
<b>Journeyman</b>				
<b>Helpers</b>				
<b>Apprentices</b>				
<b>Maximum No. Trainees</b>				
<b>Others</b>				
<b>Trade:</b>				
<b>Journeyman</b>				
<b>Helpers</b>				
<b>Apprentices</b>				
<b>Maximum No. Trainees</b>				
<b>Others</b>				
<b>TOTAL</b>				

**\*Lower Income Project Area Residents.**  
 Individual residing within the Section 3 determined project area boundaries whose family income does not exceed 90% of the median income in the Standard Metropolitan Statistical Area (or the County, if not

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

**within an SMSA) in which the Section 3 covered project is located.**

**Project Number**

\_\_\_\_\_

**EEO Officer (Signature)**

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

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**TABLE B**  
**PROPOSED CONTRACTS BREAKDOWN**

<b>COLUMN 1</b>	<b>COLUMN 2</b>	<b>COLUMN 3</b>	<b>COLUMN 4</b>	<b>COLUMN 5</b>
<b>Types of Contract (Business or Profession)</b>	<b>Total Number of Contracts</b>	<b>Total Approx. Dollar Amount</b>	<b>Estimated No. of Contracts to Project Area Businesses</b>	<b>Estimated Dollar Amounts to Project Area Businesses</b>

\_\_\_\_\_  
**Company**

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

\_\_\_\_\_  
**Project Number**

\_\_\_\_\_  
**EEC Officer (Signature)**

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

**TABLE C  
ACTUAL EMPLOYMENT WORK FORCE BREAKDOWN**

<b>COLUMN 1</b>	<b>COLUMN 2</b>	<b>COLUMN 3</b>	<b>COLUMN 4</b>	<b>COLUMN 5</b>
<b>JOB CATEGORY</b>	<b>TOTAL ESTIMATED POSITIONS</b>	<b>NO. POSITIONS CURRENTLY OCCUPIED BY PERMANENT EMPLOYEES</b>	<b>NO. POSITIONS NOT CURRENTLY OCCUPIED</b>	<b>NO. POSITIONS TO BE FILLED WITH *LIPAR</b>
<b>Officers/Supervisors</b>				
<b>Professionals</b>				
<b>Technicians</b>				
<b>Hsg. Sales/Rental Mgmt.</b>				
<b>Office/Clerical</b>				
<b>Service Workers</b>				
<b>Others</b>				
<b>Trade:</b>				
<b>Journeyman</b>				
<b>Helpers</b>				
<b>Apprentices</b>				
<b>Maximum No. Trainees</b>				
<b>Others</b>				
<b>Trade:</b>				
<b>Journeyman</b>				
<b>Helpers</b>				
<b>Apprentices</b>				
<b>Maximum No. Trainees</b>				
<b>Others</b>				
<b>Trade:</b>				
<b>Journeyman</b>				
<b>Helpers</b>				
<b>Apprentices</b>				
<b>Maximum No. Trainees</b>				
<b>Others</b>				
<b>TOTAL</b>				

**\*Lower Income Project Area Residents.**  
 Individual residing within the Section 3 determined \_\_\_\_\_ Company \_\_\_\_\_  
 project area boundaries whose family income does not \_\_\_\_\_  
 exceed 90% of the median income in the Standard \_\_\_\_\_ Project Name

**Metropolitan Statistical Area (or the County, if not within an SMSA) in which the Section 3 covered project is located.**

\_\_\_\_\_  
**Project Number**

\_\_\_\_\_  
**EEO Officer (Signature)**

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

## SECTION 3 NOTICE

This Project is covered by the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended.

TO THE MAXIMUM EXTENT FEASIBLE OPPORTUNITIES FOR TRAINING AND EMPLOYMENT ARISING IN CONNECTION WITH HUD-ASSISTED PROJECTS WILL BE GIVEN TO LOWER INCOME RESIDENTS OF THE PROJECT AREA.

TO THE MAXIMUM EXTENT FEASIBLE WE WILL UTILIZE SMALL BUSINESS CONCERNS LOCATED IN OR SUBSTANTIALLY OWNED BY RESIDENTS OF THE PROJECT AREA, IN THE AWARD OF CONTRACTS AND PURCHASE OF SERVICES AND SUPPLIES.

Any lower income resident seeking training or employment or any business concern located in or substantially owned by persons residing in the project area (Portsmouth, Virginia) seeking contract opportunities who alleges non-compliance, may file a grievance:

U.S. Dept. of Housing & Urban Development  
Office of Fair Housing & Equal Opportunity  
600 West Broad Street  
Richmond, VA 23230-0331

## SECTION 3 CLAUSE

All section 3 covered contracts 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.
- 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 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).