



Section 3 Public Informational Forum

On Thursday August 12, 2010 the City of Richmond and the Richmond Redevelopment Authority (RRHA) held the first in a series of Section 3 Public Informational Forums at the Richmond Police Training Facility. The City and RRHA plan to hold future periodic forums and training sessions as part of their commitment to ensure compliance and success. As a result of this Forum the City is developing a Section 3 Database/Registry of certified contractors, businesses and a certified, eligible workforce.

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood improvement, and individual self-sufficiency. The Section 3 program requires the City to provide low and very low income residents contracting and employment opportunities.

The following summarizes the detailed information captured from the forum participants:

KEY THEMES: SOLUTIONS:

1. **Create a Section 3 Database** (accessible to numerous entities, people) that includes:
 - a. Section 3 workers
 - i. Level of job readiness, skills, other attributes, traits (e.g., drivers license)
 - b. Section 3 businesses
 - i. Prequalification info; "registration"
2. **Schedule regular public section 3 information forums.** Some topics:
 - a. The Law
 - b. Bid processes
 - c. Section 3 registration, qualification process
 - d. Creating Section 3 plans ("how to's", other resources)
3. **Others:**
 - a. Contractor rewards/sanctions system
 - b. Section 3 worker job readiness & skills training, apprenticeships
 - c. Section 3 worker support services (transportation, job retention practices...)



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- d. Section 3 business development (bonding, insurance, financial management, bidding...)
- e. General business development, technical capacity building for doing business with the government (creating joint ventures, how to do RFPs, etc.)
- f. Consciously include a reach out to residents for subsequent forum

NOTES/ SUMMARY : 10 am- 12 pm session- August 12, 2010

Break-out Group Summary:

1. Group 1 (facilitated by Maxine Cholmondeley, RRHA) Group composition: Insurance agent interested in providing bonding and insurance and making sure people are ready to go when opportunities arise. 2 small contractors who wanted to know how to become Section 3 certified & to learn about Section 3 opportunities. Developers: Richmond Habitat for Humanity – who want to know who is available to help them hire Section 3 contractors & workers.
2. Group 2 (Facilitated by Denise Lawus, City of Richmond)
3. Groups 3 and 5 combined (Self directed; lots of peer education & info sharing)
4. Group 4 (Primarily contractors)

Questions to the break out groups and responses/recommendations are on pages 3 and 4 of this document.



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QUESTIONS TO THE BREAK OUT GROUPS and RESPONSES/ RECOMMENDATIONS:

Questions	Group 1	Group 2	Group 3 and 5	Group 4
<p>A major challenge to enforcing Section 3 is what has been referred to as a loophole in the law that states: “to the greatest extent feasible”. What would it take for each and all of us (City, RRHA, Contractors) to do to close that loophole?</p>	<ul style="list-style-type: none"> • Help contractors get qualified. Have a pre-qualified team with CPA for financial statements, bonding assistance, LOC or LDC(?) • Have a list of persons ready to hire. Know where people are. Need database of available people who are ready. 	<ul style="list-style-type: none"> • Is there an effort to help prime contractors qualify for Section 3 projects? 	<ul style="list-style-type: none"> • Monitor & evaluate the law for compliance. • Pre-qualify Section 3 contractors; provide training • Business to business – mentor & coach (majority contractors with minority contractors) • Team Building • Create a Small Business Development program. • A “Black” preference for black administrators 	<ul style="list-style-type: none"> • CDC is charged with employing section 3 & will employ to the best of our ability. • As a CDC I must create and uphold standards. Creating competitiveness...Evaluation process of who gets job/contract... • Making sure we sign off on Davis Bacon. Standards across companies are needed. • Make it easier to understand what exactly Section 3 is for contractors. Meetings with the community. • Education will close the loophole (didn’t know the specifics). • Bid processes for Section 3 are very different.
<p>As we move forward in expanding our workforce pool of job ready, employable, skilled workers, what can we do to help contractors meet their Section 3 responsibilities?</p>	<ul style="list-style-type: none"> • Help contractors get qualified. Have a pre-qualified team with CPA for financial statements, bonding assistance, LOC or LDC(?) • Have a list of persons ready to hire. Know where people are. Need database of available people who are ready. 	<p>How do subcontractors find work?</p> <ul style="list-style-type: none"> • Develop a list of certified, qualified subs and requirements, eg. if the sub (from the list) is named in the selected bid, you must identify new qualified subs. <ul style="list-style-type: none"> ○ Create a list of qualified workers. ○ Generate working capital for small contractors for jobs. ○ Train people in the neighborhood. ○ Help us to find neighborhood people to work on our jobs. 	<ul style="list-style-type: none"> • Have a non-profit program to manage/facilitate this program & to use minority businesses for supportive services. • Reward employers who hire Section 3 individuals with a training stipend vs. hiring consultants to train Section 3 individuals. • Project & contract management for leveling the playing field. (To provide bid proposal assistance, training) • Establish a Section 3 bond assistance program. • Form a group to include J. Sargeant Reynolds College, council members, low income residents, private businesses and RRHA. • Training & Education 	<ul style="list-style-type: none"> • Making sure stakeholders are together and all processes are running smoothly. Being business savvy. • City wide registration: All Section 3 businesses are listed • Create a match up database: <ul style="list-style-type: none"> ○ Every stakeholder can utilize this to find and meet responsibilities. • Provide business training for entrepreneurs



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Questions	Group 1	Group 2	Group 3 and 5	Group 4
<p>What can we (City, RRHA) do to increase the capacity of Section 3 businesses (aka Section 3 business concerns) to compete for contracts?</p>	<ul style="list-style-type: none"> • Very hard to find Section 3 businesses or workers. Have a list available on website. Link on both websites leading to the same list and to the BBB. • Engage company/org to train companies on section 3: how to look for Section 3 opportunities. • Need resources to help people learn about Section 3. • Need to know & understand how to qualify as a Section 3 business/worker. • Need info on who is Section 3, how to qualify, what to do to show to prove Section 3 status. 			<ul style="list-style-type: none"> • Loan program for small businesses • Administrative help • Business apprenticeships • Mentoring



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NOTES/ SUMMARY : 6pm- 8 pm session- August 12, 2010

Break-out Group Summary:

1. Group 1 was facilitated by Maxine Cholmondeley, RRHA and was made up of primarily contractors.
2. Group 2 was self directed group. A contractor recorded for the group.
3. Group 3 was facilitated by Ron Johnson, City of Richmond
4. Group 4 was self directed. Note: Some group members challenged participants in the group to stay solution focused.

Questions to the break out groups and responses/recommendations are on pages 6 and 7 of this document.



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QUESTIONS TO THE BREAK OUT GROUPS and RESPONSES/ RECOMMENDATIONS:

Questions	Group 1	Group 2	Group 3	Group 4
<p>A major challenge to enforcing Section 3 is what has been referred to as a loophole in the law that states: “to the greatest extent feasible”. What would it take for each and all of us (City, RRHA, Contractors) to do to close that loophole?</p>	<ul style="list-style-type: none"> • Finding the workers/businesses or HUB to help contractors to meet Section 3 obligations • Long term procurement forecast – <ul style="list-style-type: none"> ○ What they’re buying ○ When they’re buying ○ Who is the procurement officer • Make it clear to big contractors from out of town that they must use local talent. • For minority & Section 3 contractors, have early informational sessions • Need full time Section 3 and SWaM coordinator. • Need information for planning and strategic planning • Need information EARLY • Need other ways info is given out, not just via the newspaper. 	<ul style="list-style-type: none"> • City needs to target the community with flyers, etc. to make it aware of its projected development for the area. Flyers to include: <ul style="list-style-type: none"> ○ Positions to be filled ○ Training opportunities ○ Qualifications needed • Contractors should band together in order to qualify for Section 3 contracts • Enforce Section 3 compliance 	<ul style="list-style-type: none"> • Enforce Section 3 • Make it mandatory to meet the requirements of Section 3 • For contractors: have a database of contractors 	<ul style="list-style-type: none"> • Training workers through Section 3. For those workers missing skills, train a small target number of them in order to qualify the next year or later.
<p>As we move forward in expanding our workforce pool of job ready, employable, skilled workers, what can we do to help contractors meet their Section 3 responsibilities?</p>	<ul style="list-style-type: none"> • Need better info, tools, list of names of pre-qualified Section 3 workers • Job fair with contractors (make this a requirement of contractors) so workers & contractors can be put together to recruit workers. 	<ul style="list-style-type: none"> • Jobs should be obtainable for Section 3 contractors. • City wide registration of certified Section 3 residents and businesses. 	<ul style="list-style-type: none"> • Partnering with others for training • Community based training <ul style="list-style-type: none"> ○ Soft skills • Job opportunities for ex-offenders • Rewards for efforts 	<ul style="list-style-type: none"> • Ensure that a % of people are interviewed. • Dual role of resident/business, how do you handle? • Small businesses rewarded for taking on trainees. • The Compliance & Monitoring Plan that is submitted, is it actually carried out (true compliance)? • Is a firm with a plan better (and not doing it) better than a company willing to hire? • Black list those not in compliance <ul style="list-style-type: none"> • Require that Section 3 list companies to be included (<i>good old boy network not???</i>). ENFORCEMENT AGAIN.



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Questions	Group 1	Group 2	Group 3	Group 4
<p>What can we (City, RRHA) do to increase the capacity of Section 3 businesses (aka Section 3 business concerns) to compete for contracts?</p>	<ul style="list-style-type: none"> • Money to train workers • Transportation or transportation subsidy for workers • Inform Section 3 workers how they can make themselves more attractive hires. • Identify which workers in the database have transportation or a drivers license • CDCs that work with RRHA need to be held accountable to Section 3 if the CDC is going to work with RRHA. 	<ul style="list-style-type: none"> • Train workers in the skills necessary for the type of business. 	<ul style="list-style-type: none"> • Progressive enforcement • Tuition assistance • Trained workers • Identify and technically assist 	<ul style="list-style-type: none"> • Pre-apprenticeship program • Too strict now • Training prior to being qualified. • CASHFLOW <ul style="list-style-type: none"> ○ Include Section 3- you get 10% advance on loan? ○ Delays in payment ○ Cash flow issues: monthly payments for completed work <p>FOR QUESTIONS 1 – 3: MORE MEETINGS. PROVIDE FEEDBACK ON A CONTINUING BASIS.</p>