

SECTION 3 PLAN

(Owner/Developer and General Contractor)

For _____

(Name and Address of Construction Project)

Submitted by:

Name of Owner/Developer:

Address:

Primary Contact:

Phone number:

Email:

Name of General Contractor:

Address:

Primary Contact:

Phone number:

Email:

General Statement

_____, as the owner/developer, and _____, as the general contractor are committed to comply with the Section 3 act, the Section 3 regulations, and the City of Grand Rapids Section 3 Guidelines. It is our desire to work together to ensure compliance, to the greatest extent feasible, through the awarding of contracts for work and services to Section 3 Businesses, and to provide employment and training to Section 3 Workers. We commit to include the Section 3 clause in the construction contract and all subcontracts. All subcontractors interested in submitting bids for contracts will be informed of the Section 3 requirements and goals. We agree to provide the City of Grand Rapids with copies of all bids received in response to the invitation to bid and copies of all contracts awarded in excess of \$100,000.00.

Goals

Contracting:

To demonstrate compliance with Section 3 regulations, it is desirous to award at least 10 percent of the total dollar amount of all Section 3 covered contracts for building trades work, and, at least 3 percent of the total dollar amount of all other Section 3 covered contracts (i.e., professional services) to Section 3 Business Concerns.

Dollar amount of the construction contract: \$ _____

10% of the total contract is: \$ _____

3% of the total contract is: \$ _____

If we do not feel it is feasible to meet the minimum goals set forth above, we will be prepared to demonstrate why it was not possible.

Employment and Training:

To demonstrate compliance with Section 3 regulations, it is desirous for **Section 3 Workers to provide at least 25%** of all project labor hours and **Targeted Section 3 Workers to provide at least 5%** of all project labor hours. We agree to provide information regarding labor hours as a part of this plan.

A concerted effort will be made to meet the goals in this plan. If the goals are not met, we agree to provide an explanation of challenges in meeting the goals described in this plan, and documentation of our efforts to reach these goals.

These goals are affirmed: Initials: (Owner/Developer) _____ (General Contractor) _____

Definitions

Low-income means income at or below 80% of Area Median Income (AMI)

Very low-income means income at or below 50% of AMI

A Section 3 Worker is, or when hired in the past five years was:*

- A low- or very low-income individual (use individual income not household income); or
- A YouthBuild participant; or
- Someone employed by a Section 3 Business Concern

*If worker was hired prior to 11/30/2020, then income as of hire date cannot be used and only current income can be used.

A Targeted Section 3 Worker is a Section 3 Worker who is:

- Someone employed by a Section 3 Business Concern; or
- Who currently fits or when hired fit one of the following definitions, as documented in the previous five years:
 - Living within the service area of the neighborhood of the project (i.e. within one mile of the project); or
 - A YouthBuild participant

A Section 3 Business Concern is, documented within the last six-month period:

- 51% or more owned/controlled by low- or very low-income persons; or
- > 75% of labor hours performed over prior three-month period are performed by low- or very low-income workers; or
- 51% or more owned/controlled by current residents of public housing or Section 8 residents

ALL labor hours performed by a Section 3 Business Concern count as BOTH Targeted Section 3 Labor hours AND regular Section 3 labor hours.

Outreach

We are committed to conduct an aggressive outreach campaign to make Section 3 Businesses and Section 3 Residents aware of contracting and employment opportunities in connection with this Section 3 Covered Project. Efforts will include, but are not limited to:

- Publication of opportunities in the Grand Rapids Press or other local newspapers.
- Publication of opportunities with Michigan Works.
- Inviting Section 3 Business Concerns to relevant bidding opportunities.
- Use of signage at the project site and flyers posted in the neighborhood and surrounding areas.

- Notification to the Grand Rapids Housing Commission, Grand Rapids Area Coalition to End Homelessness, and other appropriate organizations.
- Notification of potential bidding opportunities, training, or employment opportunities to Neighborhood and Non-profits groups servicing low-income persons.
- Communicating opportunities to contractor and trade organizations, employment agencies, and career centers.

It is not required to include all of these methods in a Section 3 implementation strategy. However, a robust strategy that makes a good faith effort to meet the objectives stated in this plan is expected. The City of Grand Rapids reserves the right to request documentation of efforts made (e.g. proof of advertisement in local newspapers, flyers, and other modes of communications) in order to meet Section 3 goals at any time.

Project Neighborhood Area

The project neighborhood area is: _____.

This area will be the primary focus of all outreach attempts.

Section 3 Coordinator

Name:

Contact information:

This person will serve as the main point of contact for all Section 3 related issues on behalf of the owner, general contractor, and subcontractors.

Reporting

We agree to provide the City of Grand Rapids the following documentation after the Section 3 qualified project is substantially completed, and will freely submit this information at any time if requested by the City.

- City of Grand Rapids Section 3 Summary Report
- Contract and Subcontract Activity Report

Attachments

The following attachments are incorporated into and made a part of this Section 3 Plan:

- Attachment 1: Section 3 Clause to be included in all contracts
- Attachment 2: Estimated Section 3 Labor Hours Needed for Section 3 Covered Project (Owner/Developer)
- Attachment 3: Estimated Section 3 Labor Hours Needed for Section 3 Covered Project (Prime/General Contractor) *(Not necessary if Owner/Developer is acting as the General Contractor)*
- Attachment 4: Outreach to Solicit Bids from Section 3 Businesses

Submitted to the City of Grand Rapids

Date: _____

Owner/Developer:

(Print/type name of organization)

By: _____

(Print/type name and title)

Date: _____

General Contractor:

(Print/type name of organization)

By: _____

(Print/type name and title)

Attachment 1: 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 Agreement 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 economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing or residents of the community in which the Federal assistance is spent.
- B. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 75, which implement Section 3. As evidenced by their execution of this Agreement, the parties to this Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 75 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the Subrecipient has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Subrecipient'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 contract subject to compliance with regulation in 24 CFR Part 75, and agrees to take appropriate action, as provided in an applicable provision of the contract or in this Section 3 clause, upon a finding that the contractor is in violation of the regulation in 24 CFR Part 75. The Subrecipient shall not contract with any contractor where the Subrecipient has notice or knowledge that the contractor has been found in violation of the regulations in 24 CFR Part 75.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the Subrecipient is selected but before the Agreement is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities to be directed, were not filled to circumvent the Subrecipient's obligations under 24 CFR Part 75.
- F. Noncompliance with HUD's regulations in 24 CFR part 75 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 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).

**Attachment 2:
Estimated Section 3 Labor Hours Needed for Section 3 Covered Project
(Owner/Developer)**

Name of Company	
Project Name	
Period Covered	
Date Submitted	

Job Category	Estimated Total Labor Hours Needed for Project by Job Category	Estimated Section 3 Labor Hours by Existing Section 3 Employees (or Section 3 Businesses)	Number of Labor Hours Needed from Additional Section 3 Employees or Businesses Not Yet Hired	Estimated Targeted Section 3 Labor Hours by Existing Targeted Section 3 Employees (or Section 3 Businesses)	Number of Labor Hours Needed from Additional Targeted Section 3 Employees or Businesses Not Yet Hired
*Total					

*Estimated Section 3 labor hours plus additional needed should be equal to or more than 25% of total labor hours. Targeted Section 3 hours plus additional needed should be equal to or more than 5% of total labor hours.

If no new job opportunities will be available during this project, state the reason below:

**Attachment 3:
Estimated Section 3 Labor Hours Needed for Section 3 Covered Project
(Prime/General Contractor)**

Name of Company	
Project Name	
Period Covered	
Date Submitted	

Job Category	Estimated Total Labor Hours Needed for Project by Job Category	Estimated Section 3 Labor Hours by Existing Section 3 Employees (or Section 3 Businesses)	Number of Labor Hours Needed from Additional Section 3 Employees or Businesses Not Yet Hired	Estimated Targeted Section 3 Labor Hours by Existing Targeted Section 3 Employees (or Section 3 Businesses)	Number of Labor Hours Needed from Additional Targeted Section 3 Employees or Businesses Not Yet Hired
*Total					

*Estimated Section 3 labor hours plus additional needed should be equal to or more than 25% of total labor hours. Targeted Section 3 hours plus additional needed should be equal to or more than 5% of total labor hours.

If no new job opportunities will be available during this project, state the reason below:

Attachment 4: Outreach to Solicit Bids from Section 3 Businesses

General Contractor	
Project Name	
Period Covered	
Date Submitted	

Indicate the efforts that will be made to notify Section 3 Business Concerns of contracting opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible (using additional pages if necessary). All efforts must be documented. After the contracts are awarded, attach copies of all publications, notices, pictures of posted notices, and any other outreach material utilized, along with a list of all Section 3 business concerns that responded to your outreach efforts (bid tabulations, etc).