

## SECTION 3 PLAN

(Subcontractors)

**For** \_\_\_\_\_

\_\_\_\_\_

(Name and Address of Construction Project)

**Submitted by:**

**Name of Subcontractor:**

Address:

Primary Contact:

Phone number:

Email:

## **General Statement**

\_\_\_\_\_, as the subcontractor, is 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 with the Owner and General Contractor to ensure compliance, to the greatest extent feasible, through the awarding of contracts for work and services to Section 3 companies, and to provide employment and training to Section 3 residents. We commit to include the Section 3 clause in all subcontracts. We have been informed of the Section 3 requirements and goals set forth by the Owner and the General Contractor. Our submission of this document shall also be our agreement to follow the Section 3 Plan submitted to the City of Grand Rapids by \_\_\_\_\_ (Owner/Developer) and \_\_\_\_\_ (General Contractor).

## **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.

Any goal established in this plan must be met, or proof provided as to why the goal was not met.

## **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.

## **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  
(Subcontractor)

We agree to provide the project owner with 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 of Grand Rapids or the project owner.

- City of Grand Rapids Section 3 Summary Report

We agree to immediately report any changes in this plan, including but not limited to, changes in the dollar amount of contracts awarded and staffing needs.

### **Submitted to the City of Grand Rapids**

Date: \_\_\_\_\_

**Subcontractor:**

\_\_\_\_\_

(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  
(Subcontractor)**

<b>Name of Company</b>	
<b>Project Name</b>	
<b>Period Covered</b>	
<b>Date Submitted</b>	

<b>Job Category</b>	<b>Estimated Total Labor Hours Needed for Project by Job Category</b>	<b>Estimated Section 3 Labor Hours by Existing Section 3 Employees</b>	<b>Number of Labor Hours Needed from Additional Section 3 Employees Not Yet Hired</b>	<b>Estimated Targeted Section 3 Labor Hours by Existing Targeted Section 3 Employees</b>	<b>Number of Labor Hours Needed from Additional Targeted Section 3 Employees Not Yet Hired</b>

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