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Preliminary Equal Opportunity Plan



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Preliminary Equal Opportunity Plan Requirements

An Equal Employment Opportunity (EEO) Plan must be submitted in a format and contents acceptable to the Construction Disbursements and Employment Opportunity Section of the Rental Development and Assisted Low Income Housing Tax Credit (LIHTC) Division of the Michigan State Housing Development Authority (MSHDA). The submission and approval of a plan is a condition precedent to the issuance of a MSHDA Mortgage Loan Commitment for any MSHDA financed development comprising of five or more units.

In order to receive approval, your plan must adequately address the following requirements:

1. The plan must include the basic project information. That is, the assigned MSHDA number or tax identification number (TIN), the number of units, the building type or types and number of stories, number of buildings in the development, and its project location.
2. Information which states the percentage of minority persons in the labor market area in which the project is or to be located. The same information should be provided for the largest city (or cities) feeding into the labor market area for the project.
3. The plan must contain the name, address, telephone number, E-mail address, and title held within the company by the individual who is designated as the company's Equal Employment Opportunity Officer. This individual must be an official of the prime contracting company, who has the responsibility and authority to negotiate bid proposals and letting of contracts.
4. Your company's "Equal Employment Opportunity Policy" should be included in the plan or referenced and a copy attached to the plan. The plan must also include a statement of acknowledgment by your company of its obligation to implement an Equal Employment Opportunity Plan under Section 46 of Public Acts 346 of 1966, as amended, which is the State Housing Development Authority Act and the Authority's Qualified Allocation Plan (QAP) requirement.

The plan must contain a commitment on the part of the mortgagor and its prime contractor to include an EEO policy statement in all of the written outreach communications, which it will use in its implementation of the Plan.

5. The plan must contain a commitment on the part of the prime contractor to comply with MSHDA's equal employment opportunity compliance reporting requirements as implemented by and through MSHDA's Equal Employment Opportunity staff.
6. The plan must include a commitment on the part of the prime contractor to include language in all subcontracts that clearly states that the failure on the part of a subcontractor to implement the Equal Employment Opportunity Plan requirements will be considered a material breach of the contract, and will be considered cause for removal from the construction of the project. In order to comply with these requirements, your company must agree to incorporate the "Employment Practices Provision" of MSHDA's form Construction Contract into all subcontracts.

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7. The plan must contain a statement which indicates in detail, the results to date of any previous Equal Employment Opportunity Plan in which your company has participated. If prior results did not achieve anticipated goals, you should indicate the changes you have made in this Plan to make it more successful. If your firm has not previously worked in performance of Equal Employment Opportunity Plan please, state this fact in the plan.

8. If your company has previously submitted and performance per a MSHDA approved plan or plans, please give a breakdown of the total project hours worked, for each development. That is, a breakdown of the total project hours worked, which shows the total hours worked by majority tradespersons, the total hours worked by minority tradespersons, and the total hours worked by female tradespersons achieved in the implementation of plans for projects completed by your company within the last five years. Please use the MSHDA development number to list previous plan participations. If this information is not available, your statement should be based on your best recollection or upon other information such as agency reports, post review letters, etcetera.

9. The plan must contain a position-by-position breakdown of the racial composition of the total workforce presently employed by your company. This total should include the clerical and administrative staff personnel (see example below).

| <u>Job Category</u> | Black | | Hispanic | | American Indian | | Asian | | Total | |
|---------------------|----------|----------|----------|----------|-----------------|----------|----------|----------|----------|----------|
| | <u>M</u> | <u>F</u> | <u>M</u> | <u>F</u> | <u>M</u> | <u>F</u> | <u>M</u> | <u>F</u> | <u>M</u> | <u>F</u> |
| Officers | | | | | | | | | | |
| Professionals | | | | | | | | | | |
| Office & Clerical | | | | | | | | | | |
| Supervisors | | | | | | | | | | |
| Carpenters | | | | | | | | | | |
| Laborers Etc. | | | | | | | | | | |

10. The plan must contain an estimate of the number of workers trade by trade, which will be required to complete the construction of this development (see example below).

Estimate of Subcontractor's Personnel by Trade

| | | |
|------|-----------------|---------------|
| | Site Work | Concrete Work |
| | Masonry (Brick) | Roofing |
| | Carpentry | Plumbing |
| HVAC | Electrical | Painting |
| | Drywall | Etc. |

The plan must also identify the trade lines, if any, that your company will perform in lieu of a bona fide subcontractor. Please, note that MSHDA's prior approval is required for such trade lines work.

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11. The plan must state a minority and female skilled tradespersons utilization commitments. The required utilization commitment form (EEO-009) attached must be executed by an authorized officer of your company and attached to the plan. This form must be updated as needed, if the development is accepted for financed by the MSHDA. The commitments must be based upon the Michigan Department of Labor's Metropolitan Statistical Areas (MSA) or Labor Market Areas (LMA) workforce information for the county where the project is located. That is, for the project's minority trade utilization and minority contracting goals see MSHDA's schedule of targeted goals. A female trade utilization 6.9% will be used for all MSHDA financed project per 45 FR 85750-51 of 12/30/80).

Note: The Americans with Disabilities Act (ADA) of 1990 makes it unlawful to discriminate in employment against a qualified individual with a disability. The three areas of coverage are employment (policies and practices), programs (activities and services), and facilities (offices, and grounds). These areas should be reviewed in accordance with the ADA and a self-evaluation and transition plan, which must be developed and kept on file for review.

12. The plan must include a commitment on the part of the prime contractor to an acceptable goal Minority Business Enterprise (MBE) contracting goal, that is, a dollar amount of the total construction contract. This contracting goal must be stated in the plan in a dollar amount and is dependent on the final determined amount of the construction contract amount. Your Company will be allowed to deduct certain soft cost items: site security, building permits, bond premium, builder profit, tap fees, and the cost of the cost certification expense from the project's signed trade payment breakdown in the calculation of the dollar amount of the MBE contracting goal. Companies which can demonstrate a history of an integrated workforce will also be allowed to deduct the general requirements and the builder overhead costs.

You are also advised that in order for a business to be considered a minority owned company the minority entity must have a state license if one is required by the state of Michigan for the particular trade and own at least 51% interest in profits and losses. They must participate in the daily management and operation of the company and a minority person or group must have and actually exercise authority to independently make significant business decisions on behalf of the company. In addition, once a company is determined by MSHDA to be a bona fide minority owned company based on our review of documents required to be submitted as part of the equal employment opportunity compliance reporting requirements and our investigation of the actual operation of the company, the company must perform at least 51% of the awarded contract. That is, a minority company must remain "substantially" involved in the performance of the awarded contract. This means that no MBE credit will be given or received for the use of an MBE company that in actuality functions merely as a conduit for a non-minority owned company. The same criteria will be used in the case of a woman owned business enterprise (WBE).

13. The plan must also include a contracting goal for the utilization of Woman Owned Business Enterprises (WBE). An acceptable goal would be in the range of 3% (first time contractors) to 5% (third time contractors). The contracting goal for utilization of woman owned businesses is separate and distinct from the MBE contracting goal.

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14. The plan must contain a statement of your company's policies for the acceptance of bid proposals. If your company as a normal practice simply accepts the lowest bid proposal, the plan must contain a commitment by your company to be flexible with respect to bid proposals submitted by minority and women owned companies. This means that your Company will agree to give strong consideration to bid proposals submitted by these companies, even when their bids are slightly higher (5% range). The plan should also contain a commitment by your company to make an good faith effort to work with minority and women owned companies in order to bring their bid proposals (if necessary) into line with your costing constraints
15. The plan must contain a detailed delineation of the persons and organizations to be contacted by your company in order to achieve the goals contained in the plan. This list should be updated as needed with the submissions of the final EEO plan.
16. The plan must contain a commitment by the contractor to increase the pool of minority and female trades' persons available to work on this development through apprenticeship training programs or to make a good faith effort to work with others in the use of such programs.
17. The plan must contain a commitment by the contractor to distribute federal and state workers' rights and wage information when requested or required by MSHDA to all tradespersons working at the development site.
18. The general contractor must agree to allow MSHDA's staff to review all payrolls, all subcontractor documents and other related project documents for itself at MSHDA's discretion and at no cost.
19. The plan should include a statement that your company as the prime contractor, acting by and through its EEO Officer, acknowledges that it has reviewed and understands the Equal Employment Opportunity Requirements as set forth in both this letter and the MSHDA's form Construction Contract. You are further advised that the failure of your company to comply with these requirements may result in its debarment and that of any of its related companies from participation in any future MSHDA housing financed project.
20. The Equal Employment Opportunity (EEO) Plan should be clearly labeled, dated, and two original signed copies submitted in the form of a Letter Agreement to MSHDA's EEO Section for review and approval. The Minority and Female utilization form (EEO-009) must be completed, signed and attached to the plan.

In addition to the submission of the EEO plan, MSHDA will also requiring a letter from your company on the status of bidding and selection of any subcontractors for the project.

If you have any questions or need help after you have reviewed these requirements and the attached materials, please do not hesitate to contact Mr. Haywood Edwards at (517 241-0541) or Mr. James Flanagan (517-335-5186 and Mr. Tom Jones/Mgr. at (517-373-8055) of MSHDA's Construction Disbursements & EEO Section.

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STATE OF MICHIGAN

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
P. O. BOX 30044
Lansing, Michigan 48909

This form is issued under authority of Act 346 P.A. 1966, as amended. Completion and execution of this form is required. Failure to complete and execute this form may result in the termination of the construction contract.

The General Contractor hereby acknowledges that this Utilization Commitment will be incorporated in the bid specifications and must be part of all construction subcontracts. The Utilization Commitment must be a condition on the request for bid proposals and a condition for contract approvals. We hereby further acknowledge our obligation to encourage and assist socially disadvantaged contractors and women economically disadvantaged contractors to bid and perform on this Authority Sponsored housing development.

MINORITY & FEMALE UTILIZATION COMMITMENT OF THE GENERAL CONTRACTOR To
Michigan State Housing Development Authority

| | | |
|---|---------------------------------|---|
| NAME OF GENERAL CONTRACTOR | | PERCENT AND NATURE OF MINORITY OWNERSHIP |
| DEVELOPMENT NAME AND LOCATION | CONTRACT AMOUNT | MSHDA DEVELOPMENT NO. |
| | \$ | |
| PRINCIPLE OWNER'S NAME | GENERAL CONTRACTOR'S I.R.S. NO. | |
| NAME OF EQUAL EMPLOYMENT OPPORTUNITY OFFICER | | TELEPHONE NUMBER |
| ADDRESS (STREET, NUMBER, CITY, STATE, AND ZIP CODE) | | |

We hereby commit our firm to provide a total workforce integration of _____% minority and _____% females inclusive of all skilled trade.

Signature of General Contractor's Company
Equal Employment Opportunity Officer

Date



EQUAL HOUSING OPPORTUNITY
EQUAL OPPORTUNITY EMPLOYER
EEO 009



MSHDA's Minority and Female Labor Force Data Schedule for Michigan MSA and Counties

| | Min. target | Target 6.9% | TARGET |
|--|---------------|-------------|--|
| | % | % | % |
| | Minority Pop. | Female Pop. | Average of Pop. & Minority Labor Force |
| Michigan | 21.4 | 51 | 19.2 |
| Ann Arbor (Lenawee, Livingston, Washington) | 16.3 | 50 | 18.05 |
| Benton Harbor (Berrien) | 21.9 | 51.5 | 19.3 |
| Detroit (Lapeer, Macomb, Monroe, Oakland, St Clair, Wayne) | 30.3 | 51.4 | 27.6 |
| Flint (Genesee) | 25.9 | 51.9 | 23.55 |
| Grand Rapids (Allegan, Kent, Muskegon, Ottawa) | 17 | 50.7 | 14.35 |
| Jackson | 12.6 | 49 | 9.95 |
| Kalamazoo - Battle Creek (Calhoun, Kalamazoo, Van Buren) | 16.7 | 51.3 | 14.6 |
| Lansing (Clinton, Eaton, Ingham) | 17.8 | 51.4 | 15.75 |
| Saginaw-Bay-Midland (Saginaw, Bay, Midland) | 17.5 | 51.6 | 18.95 |
| Alcona – Iosco | 3.4 | 50.5 | 3.2 |
| Alger | 12.5 | 46.2 | 9.65 |
| Alpena | 2.2 | 51.4 | 1.9 |
| Antrim | 3.8 | 50 | 3.15 |
| Arenac | 5.6 | 48.7 | 4.25 |
| Baraga | 21.7 | 47.4 | 19.35 |
| Barry | 3.5 | 50.1 | 3.1 |
| Branch | 8 | 49.4 | 6.05 |
| Cass | 11.8 | 50 | 10.1 |
| Charlevoix | 4.2 | 50.5 | 3.7 |
| Cheboygan | 5.7 | 50.4 | 5.15 |
| Chippewa | 24.8 | 44.3 | 21.4 |
| Clare | 3.3 | 50.7 | 2.75 |
| Crawford | 4.3 | 49 | 3.2 |
| Delta | 4.5 | 50.9 | 4.2 |
| Dickinson | 2.5 | 50.8 | 2.05 |
| Emmet | 6.2 | 50.8 | 5.75 |
| Gladwin | 2.9 | 50.4 | 2.55 |
| Gogebic | 6.2 | 49.7 | 5.1 |
| Grand Traverse (Benzie, Grand Traverse, Kalaska, Leelanau) | 4.8 | 50.8 | 4.2 |
| Gratiot | 10.1 | 48 | 7.1 |

MSHDA Minority and Female Labor Force Data Schedule for Michigan MSA and Counties

| | % | % | % | % | % |
|---------------------|------------------|----------------|-------------------------|-----------------------|---|
| | Minority Pop. | Female Pop. | Minority Labor Force | Female Labor Force | Average of Pop. & Minority Labor Force |
| Hillsdale | 3.2 | 50.2 | 2 | 45.9 | 2.6 |
| Houghton – Keweenaw | 5 | 46.8 | 3.8 | 44.7 | 4.4 |
| Huron | 3.2 | 50.5 | 1.8 | 44.8 | 2.5 |
| Ionia | 9.4 | 46.5 | 2.4 | 44.2 | 5.9 |
| Iron | 4.1 | 50.6 | 2.5 | 47.2 | 3.3 |
| Isabella | 9.6 | 52.2 | 7.1 | 50.6 | 8.35 |
| Lake | 16.1 | 47.8 | 12.4 | 46.7 | 14.25 |
| Luce | 17.6 | 44.5 | 9.5 | 46.7 | 13.55 |
| Mackinac | 20.4 | 50.1 | 19.8 | 45.1 | 20.1 |
| Manistee | 7.1 | 49.2 | 3.8 | 46.2 | 5.45 |
| Marquette | 5.3 | 49.8 | 3.4 | 47.6 | 4.35 |
| Mason | 6 | 50.6 | 4 | 46.6 | 5 |
| Mecosta | 8.1 | 49.3 | 6.9 | 45.7 | 7.5 |
| Menominee | 4.2 | 50.3 | 2.8 | 45.8 | 3.5 |
| Missaukee – Wexford | 3.3 | 50.4 | 2.3 | 46.2 | 2.8 |
| Montcalm | 6.5 | 48.7 | 2.8 | 45.6 | 4.65 |
| Montmorency | 2.1 | 50.9 | 2.3 | 45.8 | 2.2 |

| | | | | | |
|-----------------|------|------|------------|------|--------------|
| Newaygo | 7 | 50.1 | 3.7 | 43.6 | 5.35 |
| Oceana | 14.2 | 49.6 | 8.7 | 44.9 | 11.45 |
| Ogemaw | 3.4 | 50.4 | 2.6 | 47.1 | 3 |
| Ontonagon | 3.2 | 49.3 | 2.5 | 45.8 | 2.85 |
| Osceola | 3.2 | 50.6 | 2.1 | 45.9 | 2.65 |
| Oscoda | 2.7 | 50.9 | 2.4 | 45.8 | 2.55 |
| Otsego | 3 | 50.4 | 2.3 | 46 | 2.65 |
| Presque Isle | 2.3 | 50.2 | 0.8 | 45.7 | 1.55 |
| Roscommon | 2.6 | 50.8 | 1.7 | 47.2 | 2.15 |
| St. Joseph | 8.7 | 50.6 | 5.8 | 45.2 | 7.25 |
| Sanilac | 4.6 | 50.4 | 2.6 | 45.3 | 3.6 |
| Schoolcraft | 11 | 50 | 10 | 46.6 | 10.5 |
| Shiawassee | 3.7 | 50.9 | 2.3 | 46 | 3 |
| Tuscola | 5.3 | 50.1 | 2.9 | 46 | 4.1 |
| Upper Peninsula | 8.8 | 48.8 | 6.3 | 46.4 | 7.55 |

Sources: US Department of Commerce, Bureau of the Census and MDCCD/Employment Service Agency, Office of Labor Market Information