

**SECTION 3 PLAN  
(OWNER/DEVELOPER  
AND  
GENERAL CONTRACTOR)**

**For** \_\_\_\_\_  
(Name of Development)

**Submitted by:**

Name of Owner/Developer:

Address:

Contact Information:

Name of General Contractor:

Address:

Contact Information:

(Updated 2/2022)

## **General Statement**

\_\_\_\_\_, as the owner, and \_\_\_\_\_, as the general contractor are committed to comply with the Section 3 act, the Section 3 regulations, and the Michigan State Housing Development Authority (“MSHDA”) 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 companies, and to provide employment and training to Section 3 residents. We commit to include the Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR 75. All subcontractors interested in submitting bids for contracts will be informed of the Section 3 requirements and benchmarks. We agree to provide MSHDA with copies of all bids received in response to the invitation to bid and copies of all contracts awarded.

## **Contracting Priority**

The statute creates a contracting priority for businesses that provide economic opportunities for low- and very low-income workers. To implement this priority, labor hours worked by Section 3 business concern employees to count towards benchmarks for Section 3 workers and Targeted Section 3 workers.

To demonstrate compliance with Section 3 regulations, we certify that we will make efforts to prioritize contracting with Section 3 business concerns and are responsible for verifying those businesses meet the definition of a Section 3 business concern.

These contracting priorities are affirmed:    Initials: \_\_\_\_\_

If we do not feel it is feasible to meet the contracting priorities set forth above, we will be prepared to demonstrate why it was not possible. We understand failure to follow our Section 3 Plan could result in the Secretary of Housing and Urban Development (“HUD”) finding us non-compliant with the Section 3 regulations.

## **Employment and Training Benchmarks:**

To demonstrate compliance with Section 3 regulations, we commit to HUD’s current benchmarks that are currently applicable:

**Benchmark 1:** Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project must be done by Section 3 workers

Section 3 Labor Hours/Total Labor Hours = 25%  
AND

**Benchmark 2:** Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project must be done by Targeted Section 3 workers

Targeted Section 3 Labor Hours/Total Labor Hours = 5%

All benchmarks in this plan will be met, if we fail to do so, we agree to provide an explanation and documentation as to why the benchmark was not met. If both benchmarks are met, no further reporting is required, as HUD will consider the development team to be in full compliance with Section 3. If either of the Section 3 benchmarks *are not met*, MSHDA will require further reporting on the qualitative efforts that were made to try and reach the benchmarks.

### **Outreach**

We are committed to conduct an aggressive outreach campaign to make Section 3 Businesses and Section 3 Residents aware of contracting and possible hiring opportunities in connection with this Section 3 Covered Project. Efforts will include, but not be limited to, publication of opportunities in the local newspapers, use of signage at the project site, flyers posted in the neighborhood and surrounding areas, notification of local housing authorities, contractor and trade organizations, employment agencies, career centers and local YouthBuild chapters.

### **Project Neighborhood Area**

The project service/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 the subcontractor.

### **Reporting**

We agree to submit a Master Subcontractor List on the 5<sup>th</sup> day of each month after construction of the Section 3 Covered Project has commenced. We agree to submit monthly updates of Section 3 activities on MSHDA's Monthly Report and a Final Report to MSHDA at completion of construction of the Section 3 Covered Project.

### **Attachments**

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

- \_\_\_\_\_ Section 3 Clause that will be included in all contracts
- \_\_\_\_\_ Contracting Plan
- \_\_\_\_\_ Outreach to Solicit Bids from Section 3 Businesses
- \_\_\_\_\_ Permanent Employee Listing for the Owner/Developer
- \_\_\_\_\_ Permanent Employee Listing for the General Contractor
- \_\_\_\_\_ Workforce Needed for Section 3 Covered Project for the Owner/Developer
- \_\_\_\_\_ Workforce Needed for Section 3 Covered Project for the General Contractor

We agree to provide to MSHDA the following documentation as soon as the information is available to us:

- Outreach to Solicit Bids from Section 3 Businesses (updated)
- New Hires for the Owner/Developer
- New Hires for the General Contractor
- Section 3 New Hires Trained for the Owner/Developer
- Section 3 New Hires Trained for the General Contractor
- MSHDA Final Report

**Submitted to Michigan State Housing Development Authority**

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

**OWNER/DEVELOPER:**

\_\_\_\_\_  
(Print/type name)

By: \_\_\_\_\_

\_\_\_\_\_  
(Print/type name and title)

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

**GENERAL CONTRACTOR:**

\_\_\_\_\_  
(Print/type name)

By: \_\_\_\_\_

\_\_\_\_\_  
(Print/type name and title)