

**SECTION 3 PLAN**  
 (Subcontractor \$100,000 or more)

Construction Project	
Name of Project	
Address of Project	
Name of Neighborhood Where Project Resides (Primary focus area for outreach attempts)	

Submitted by			
Name of Subcontractor			
Business Street Address			
Business Phone Number		Business Website	
Primary Contact Name			
Primary Contact Phone Number		Email	
<b>For Federal Government Reporting Purposes – Principal Owner (51% or more) (Check applicable boxes)</b>			
<input type="checkbox"/> Female	<input type="checkbox"/> African American / Black	<input type="checkbox"/> Caucasian / White	<input type="checkbox"/> Hispanic
<input type="checkbox"/> Male	<input type="checkbox"/> Asian / Pacific	<input type="checkbox"/> Hasidic Jews	<input type="checkbox"/> Native American / Eskimo

Name of General Contractor			
Business Street Address			
Business Phone Number		Business Website	
Primary Contact Name			
Primary Contact Phone Number		Email	

Project Section 3 Contact Person	
The Owner / Developer's and/or General Contractor's Section 3 contact person will serve as the main point of contact for all Section 3 related information and issues on behalf of the owner, general contractor, and subcontractors.	
Section 3 Coordinator Name	
Section 3 Coordinator Contact Number	
Section 3 Coordinator Email Address	

For Internal Use Only			
CDBG \$	HOME \$	NSP I \$	NSP II \$
NSP III \$	ESG \$	Other (please specify): \$	

**General Statement**

\_\_\_\_\_, as the subcontractor, is committed to comply with  
(Subcontractor)  
the Section 3 Act, the Section 3 Regulations, and the City of Detroit Section 3 Guidelines. It is our desire to work together with the Owner/Developer and the 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/Developer and General Contractor. Our submission of this document shall also be our agreement to follow the Section 3 Plan submitted to the City of Detroit by the Owner/Developer and General Contractor.

**Goals – Section 3 Requirements**

**Contracting and Employment:**

To demonstrate compliance with Section 3 regulations, it is desirous to award at least ten percent (10%) of the total dollar amount of all Section 3 covered contracts for building trades work, at least three percent (3%) of the total dollar amount of all other Section 3 covered contracts (i.e., professional services) to Section 3 business concerns, and thirty percent (30%) of all new hires to Section 3 Residents.

Dollar amount of the construction contract: \$ \_\_\_\_\_

10% of the total contract is: \$ \_\_\_\_\_

3% of the total contract is: \$ \_\_\_\_\_

30% of all new hires is: # of New Hires - \_\_\_\_\_ 30% of New Hires - \_\_\_\_\_

These goals are affirmed: Initials: (Subcontractor) \_\_\_\_\_

As a subcontractor, we agree to provide to the owner the proper documentation for the Section 3 covered project.

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. 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.

I, being a duly authorized representative of the applicant, do hereby attest that the statements, documents, and responses provided in and with this City of Detroit Section 3 Plan are true and correct to the best of my knowledge. I understand that I am making this statement subject to the penalties of perjury. I further understand that the City of Detroit reserves the right to require additional information prior to, during, and at any time after Section 3 Plan has been approved.

I understand that any misrepresentation of information provided in support of this application can result in **rejection, delay in processing, or denial** of Section 3 Plan, if conferred prior to discovery of the misrepresentation.

Name of Applicant (Business): \_\_\_\_\_

Name of Authorized Representative: \_\_\_\_\_

Signature of Authorized Representative: \_\_\_\_\_

Authorized Representative’s Title: \_\_\_\_\_

## **Employment and Training:**

To demonstrate compliance with Section 3 regulations, it is desirous to employ Section 3 residents as thirty percent (30%) of the aggregate number of new hires, and to provide training to those new hires. We agree to provide information regarding existing employees and hiring needs 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.

## **Outreach**

I, Subcontractor, am 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. See examples of outreach efforts in Attachments 2 and 3, but not limited to the list of examples.

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 Detroit 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.

## **Reporting**

I, Subcontractor, agree to provide the City of Detroit the following documentation for the Section 3 qualified project and will freely submit information requested, if other than the agreed upon timing, by the City of Detroit.

- Section 3 Plan - prior to being awarded contract
- Section 3 Summary Report - as agreed upon depending of the length of the project (timing could be monthly, quarterly, semi-annual, and/or annual)
- Contract and Subcontract Activity Report
- Section 3 Final Summary Report – at completion of project

## **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: Outreach Efforts to Solicit Section 3 Businesses
- Attachment 3: Outreach Effort to Section 3 Residents
- Attachment 4: Contracts to Section 3 Business Concerns
- Attachment 5: Estimated Workforce Needed for Section 3 Covered Project (Subcontractor)

## **Assistance, Questions, and Approval**

For all approvals and compliance, please submit your Section 3 Plan directly to the Section 3 program office in the Department of Civil Rights, Inclusion & Opportunity (CRIO). The office is located in the Coleman A. Young Municipal Center (CAYMC), Suite 1240. The program manager contact is Patricia Ford, 313-224-9515, [CRIOsection3@DetroitMi.gov](mailto:CRIOsection3@DetroitMi.gov).

## 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 contract 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 employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- B. The parties to this contract agree to comply with HUD’s regulations in 24 CFR Part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.
- C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers’ representative of the contractor’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 applications 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 subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.
- E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected by before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor’s obligations under 24 CFR part 135.
- F. Noncompliance with HUD’s regulations in 24 CFR part 135 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: Outreach Efforts to Solicit Section 3 Business Concerns

(Copy and use additional pages as needed)

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. 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).

Examples of Efforts to Offer Contract Opportunities to Section 3 Business Concerns	Yes	No	Projected Timing
1. Are there Subcontracting opportunities?			
2. Company has an existing relationship with Section 3 Business Concern(s) that will be a subcontractor.			
3. Identify Section 3 Business Concerns via Self Certify on HUD website.			
4. Identify Section 3 Business Concerns via City of Detroit Certified Section 3 Business Concerns.			
5. Identify Section 3 Business Concerns via business or professional associations.			
6. Identify Section 3 Business Concerns via union associations.			
7. Identify Section 3 Business Concerns via trade schools.			
8. Identify Section 3 Business Concerns via company bid process.			
9. Inform and invite Section Business Concerns for subcontracting opportunity.			

Additional Outreach Efforts:

### Attachment 3: Outreach Efforts to Section 3 Residents

(Copy and use additional pages as needed)

Indicate the efforts that will be made to notify Section 3 Residents for employment and training opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible. All efforts must be documented. Attach copies of all publications, notices, pictures of posted notices, and any other outreach material utilized, along with a list of all Section 3 Residents that responded to your outreach efforts.

Examples of Efforts to Offer Employment and Training Opportunities to Section 3 Residents	Yes	No	Projected Timing
1. Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.			
2. Distributing flyers to every occupied dwelling unit in the Section 3 covered project area.			
3. Posting flyers in the Section 3 project area advertising employment positions.			
4. Arranging for a location in the neighborhood or service area of the Section 3 project, where job applications may be delivered, collected, as well as establishing and maintaining a file of qualified Section 3 "income eligible" residents for future employment positions.			
5. Sponsoring job informational meetings in Section 3 covered project area and conducting job interviews in the Section 3 covered project area.			
6. Arranging assistance in conducting job interviews and completing job applications for residents in the Section 3 covered project area.			
7. Arranging assistance from resident councils, resident management corporations, or other resident organizations, and community organizations in HUD-assisted neighborhoods, and the Section 3 covered project area notifying residents of the employment positions.			
8. Entering into "first source" hiring agreements/memorandums of understanding with organizations representing Section 3 residents. (DHC, DESC, etc.)			
9. Contacting agencies administering Youthbuild programs and requesting their assistance in recruiting and hiring Youthbuild program participants for employment positions in the Section 3 project area.			
10. Entering into an agreement with state and local agencies administering training programs funded through Workforce Investment Act (WIA), Jobs, Education, Training (JET), probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting and hiring Section 3 eligible residents for employment positions in the Section 3 project area.			

Additional Outreach Efforts:

## Attachment 4: Contracts to Section 3 Business Concerns

(Copy and use additional pages as needed)

<b>General Contractor (on project)</b>			
<b>Project Name</b>			
<b>Date Submitted</b>			
<b>Total Dollar Value of Section 3 Business Concern Contract(s)</b>	\$		
<b>Total Percentage of Section 3 Business Concern Contract(s)</b>		%	

### Contract to Section 3 Business Concern

<b>Name of Section 3 Business Concern</b>			
<b>Business Street Address</b>			
<b>Business Phone Number</b>		<b>Business Website</b>	
<b>Primary Contact Name</b>			
<b>Primary Contact Phone Number</b>		<b>Email</b>	
<b>Original Contract Dollar Value</b>		\$	
<b>Amended Contract Dollar Value</b>		\$	
<b>Work to be Performed / Materials Supplied</b>			
<b>Anticipated Performance Timeframe:</b> When will the Section 3 business be onsite performing the work and how long?			
<b>Anticipated Start Date</b>		<b>Anticipated End Date</b>	
<b>For Federal Government Reporting Purposes – Principal Owner (51% or more) (Check applicable boxes)</b>			
<input type="checkbox"/> Female	<input type="checkbox"/> African American / Black	<input type="checkbox"/> Caucasian / White	<input type="checkbox"/> Hispanic
<input type="checkbox"/> Male	<input type="checkbox"/> Asian / Pacific	<input type="checkbox"/> Hasidic Jews	<input type="checkbox"/> Native American / Eskimo

### Contract to Section 3 Business Concern

<b>Name of Section 3 Business Concern</b>			
<b>Business Street Address</b>			
<b>Business Phone Number</b>		<b>Business Website</b>	
<b>Primary Contact Name</b>			
<b>Primary Contact Phone Number</b>		<b>Email</b>	
<b>Original Contract Dollar Value</b>		\$	
<b>Amended Contract Dollar Value</b>		\$	
<b>Work to be Performed / Materials Supplied</b>			
<b>Anticipated Performance Timeframe:</b> When will the Section 3 business be onsite performing the work and how long?			
<b>Anticipated Start Date</b>		<b>Anticipated End Date</b>	
<b>For Federal Government Reporting Purposes – Principal Owner (51% or more) (Check applicable boxes)</b>			
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<input type="checkbox"/> Male	<input type="checkbox"/> Asian / Pacific	<input type="checkbox"/> Hasidic Jews	<input type="checkbox"/> Native American / Eskimo

## Attachment 5 – Estimated Workforce Needed for Section 3 Covered Project (Subcontractor)

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

(1)	(2)	(3)	(4)	(5)	(6)
Job Titles	Total Number of Employees Needed for Job Title	Total Number of Employees Currently Employed at each Job Title	Total New Hires Needed for each Job Title	Total Section 3 Hires for each Job Title	Anticipated Hiring Date of Section 3 Hires for each Job Title
<i>List the Job Titles that are needed to complete your scope of work including the entire workforce for the General Contractor and any Subcontractors. This includes all Section 3 and non-Section 3 job titles.</i>	<i>List how many employees are needed to complete the scope of work for each job title.</i>	<i>List how many employees are currently employed at this position.</i>	<i>List how many of these positions are currently open.</i>	<i>List the number of Section 3 hires you will commit to for each position.</i>	<i>List the anticipated hiring date of Section 3 hires you will commit to for each position.</i>
<b>(7) Totals:</b>					

<b>(8) Total New Section 3 Hires Required:</b> <i>(Total of column (4) x 0.3) round up to the nearest whole number</i>	
<b>(9) Percentage of New Hires that are Section 3:</b> <i>(Total of column (5) ÷ Total of column (4)) x 100 = % of New Hires</i>	



**Attachment 5 – Estimated Workforce Needed for Section 3 Covered Project  
(Subcontractor)**

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

Empty response box for stating reasons if no new job opportunities are available.