AFFIRMATIVE ACTION PROGRAM IMPLEMENTING SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968

Employment Opportunities for Businesses and Lower Income Persons
In Connection with HUD ASSISTED PROJECTS

Contractor's Name	Project Name
Address – Zip Code	Project Number
EEO Officer	Project Location - City, County, State
(Area Code) Phone Number	Construction Start & Completion Dates

Note: Not less than $_____ of total funds must be expended with Minority Business Enterprises.

Note: 25% of all labor hours must be performed by a "Section 3 Worker" and 5% of all labor hours must be performed by a "targeted Section 3 worker."

I. Determination of Project Area Boundaries

A. Address of Proposed Projects:

Street: _____

City or Township: _____

County: _____

B. Below, indicate whether this project is located in an Urban Renewal Area, Neighborhood Development Program Area, Model Cities Area, Metropolitan Development Plan Area, or Indian Reservation.

- **YES** If "Yes", the project area for purposes of the Section 3 Affirmative Action Plan is co-extensive with boundaries of the Urban Renewal, NDP, Model Cities, Metropolitan Plan, or Indian Reservation boundaries. (Exception 701 Projects: See Toote/Meeker memo notice dated 7/1/74).

- **No** If "No", specify the smallest political jurisdiction within which the project is located (i.e. township, city, village, county, etc.)

Specify: _____

C. Based on the information given in Columns 1, 2, and 3 Table A. and the availability of eligible business concerns within the project area doing business in professions or occupations identified, set forth your goal for the number of contracts to be awarded to eligible project are businesses in Column 5. Eligible project area businesses will be utilized to the greatest extent feasible.

II. Specify Affirmative Action Steps

_____

(Name of Contractor)

Contractor agrees to implement the following specific affirmative action steps directed at increasing the utilization of lower income residents and project area businesses.

A. To ascertain from St. Clair County the exact boundaries of the Section 3 covered project area and where advantageous, seek the assistance of local officials of the Department in preparing and implementing the Affirmative Action Plan.
B. To attempt to recruit from the appropriate areas the necessary number of lower income residents through: local advertising media, signs placed at the proposed site for the project, and community organization and public or private institutions operating within or serving the project area such as Service Employment and Redevelopment (SER), Opportunities Industrialization Center (OIC), Urban League, Concentrated Employment Program, Hometown Plan, or the U.S. Employment Service.
C. To maintain a list of all lower income area residents who have applied either on their own or on referral from any source and to employ such person, if otherwise eligible if a vacancy exists.
D. 25% of all labor hours must be performed by a "Section 3 Worker" and 5% of all labor hours must be performed by a "Targeted Section 3 Worker."
E. To insert this Affirmative Action Plan in all bid documents and require all bidders to submit a Section 3 Affirmative Action Plan with utilization goals and the specific steps planned to accomplish those goals.
F. To ensure that contracts, which are typically let on a negotiated rather than a bid basis in areas other than Section 3 covered project areas, are also let on a negotiated basis, whenever feasible, when let in a Section 3 covered project area.
G. To formally contact unions, subcontractors, and trade associations to secure cooperation for this program.
H. To ensure that all appropriate project area business concerns are notified of pending contractual opportunities.
I. To maintain records, including copies of correspondence, memoranda, etc., that document action taken for the above steps of the Affirmative Action Plan.
J. To appoint or recruit an executive official of the company or agency as Equal Opportunity Officer to coordinate the implementation of this Section 3 Affirmative Action Plan.
K. To list on Table B, all projected workforce needs for all phases of this project by occupation, trade, skill level, and number of positions.

As officers and representatives of _____

Name of Contractor/Firm

We, the undersigned, have read and fully agree to this Affirmative Action Plan and become a party to the full implementation of this program.

_____	_____
Signature	Signature
_____	_____
Title	Title
_____	_____
Date	Date

SECTION 3 CLAUSE

HOUSING AND URBAN DEVELOMENT ACT OF 1977 AS AMENDED

A. The work to be performed under this contract is on a project assisted under a program providing direct Federal financial assistance from the U.S. Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1977, as amended, 12 U.S. C. 1701U. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part of persons residing in the area of the project.
B. The parties of this contract will comply with the provision of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CDF 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability, which would prevent them from complying with these requirements.
C. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract of understanding, if any, a notice advising that said labor organization of worker's representative of his commitments under this Section 3 Clause and shall post copies of the notice in conspicuous places available to employees and applicable for employment or training.
D. The contractor will include this Section 3 Clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations 24 CFR 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.
E. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the contract shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient for such assistance its successors, and or recipient, its contractors and subcontractors, and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR 135.

In preparing the Affirmative Action Program Implementation Section 3 of the Housing and Community Development Act of 1977 as amended, the Proposed Contracts Breakdown Form I, and the estimated Project Workforce Breakdown, Form II, are vital information and will assist in the selection of the successful bidder.

The Proposed Contract Breakdown was designated for large projects. This form is utilized to make an estimate of materials needed and where purchased. It would benefit your Affirmative Action Plan if materials were purchased in the project area, and if the labor force employed were residents of the project area.

The Project Workforce Breakdown is an estimate of the total number of people you will utilize, employ or need. This breakdown sheet estimates the number of positions that must be filled. Please take careful note of the number of positions to be filled with lower income residents, for work is a benefit to the project area's employment situation and would comply with the Section 3 Certification requirement.

Form I – Section 3 Clause

PROPOSED CONTRACTS BREAKDOWN

Column 1	Column 2	Column 3	Column 4	Column 5
Type of Contract (Business or Profession)	Total Number of Contracts	Total Approximate Dollar Amount	Estimated Number of Contracts to Project Area Businesses	Estimated Dollar Amount to Project Area Businesses

*Section 3 Businesses are those businesses and firms which are 51% or more owned by low or very low-income residents. Also, the eligible Section 3 businesses must not exceed the following gross three-year averages established by the Small Business Administration:

General Contractors, construction… $12,000,000
Plumbing and electrical contractors…$2,000,000
Structural steel erection; Any other contractor…$1,000,000

The Section 3 Project Area shall be the St. Clair County boundaries or the closest jurisdiction to the programmed activity where qualified lower income employees or small businesses can be found.

_____
Company

_____ _____
Project Name Project Number

_____ _____
EEO Officer's Signature Date

Form II – Section 3

ESTIMATED PROJECT WORKFORCE BREAKDOWN

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Job Category	Total Estimated Positions	Number of positions Currently Occupied by Permanent Employees	Number of positions not Currently Occupied	Number of Positions to be filled with L.I.P.A. R.*	Number of Labor Hours to be filled with L.I.P.A.R.*
Officers					
Supervisors					
Professionals					
Technicians					
Housing Sales					
Rental Mgmt.					
Office Clerks					
Others					
Journeymen					
Helpers					
Apprentices					
Maximum Number					
Trainees					
Others					
Journeymen					
Helpers					
Apprentices					
Maximum Number					

- Lower Income Project Area Residents (L.I.P.A.R.). Individuals residing within the Section 3 determined project area boundaries whose family income does not exceed 90% of the medium income in the Standard Metropolitan Statistical Area (SMSA).

- The new rule establishes clear benchmarks for what is considered Section 3 success. Section 3 Benchmark Notice (85 FR 69097, published 9/29/20) which will be updated every three years requires: 25% of all labor hours much be performed by a "Section 3 Worker" and 5% of all labor hours must be performed by a "Targeted Section 3 Worker."

** All subcontractors are to be included in the job category positions.

_____

Contractor (Firm) Name

_____

Contractor Signature

6/14/2021