

SECTION 3 PARTICIPATION PLAN



PROJECT #:

CONTRACTOR INFORMATION

Business Name:		Prime	Sub
Business Address:			
Project Title:	Certified Section 3 Business Concern	Yes	No

PART I: SECTION 3 REQUIREMENTS

Section 3 is a provision of the Housing and Urban Development Act of 1968. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, be directed to low- and very low-income persons. Good faith efforts toward reaching Section 3 numeric goals are not optional, and the requirements of Section 3 apply to both contractors and subcontractors.

Section 3 is triggered when HUD-funded construction and rehabilitation projects in excess of \$100,000 create the need for new employment, subcontracting, and/or training opportunities. If a prime contractor anticipates using subcontractors, each subcontractor with an anticipated contract value in excess of \$100,000 is also required to submit a separate Section 3 Utilization Plan & Statement of Compliance. If the contract will not exceed \$100,000 or does not result in new employment, subcontracting, or training opportunities, then Section 3 is not triggered, and this form is not required.

A. Section 3 Hiring

Section 3 Hiring requirements are triggered by the need for contractors to hire new persons to complete Section 3 covered contract activities. The Section 3 Hiring goals under 24 CFR 135.30(b)(2) require that contractors and subcontractors commit to:

- 30% of all new full-time employment opportunities must be directed to employ Section 3 Residents¹

B. Section 3 Subcontracting

Section 3 Subcontracting requirements are triggered by the need to subcontract any portion of a contract to another business. The Section 3 Subcontracting goals under 24 CFR 135.30(c) require contractors and subcontractors to make the effort to award contracts, to the greatest extent feasible, to Section 3 Business Concerns² as follows:

- Construction Contracts (Hard Costs): 10% of the construction budget must be directed to Section 3 Business Concerns; and
- Non-Construction (Soft Cost): 3% of the non-construction budget must be directed to Section 3 Business Concerns

PART II: SECTION 3 TRIGGER

I do not anticipate hiring any new permanent, temporary, or seasonal employees on this contract.

I do not anticipate subcontracting any portion of the work on this contract.

***IF THERE IS NO ANTICIPATED THE NEED FOR HIRING OR SUBCONTRACTING, ON THIS PROJECT, CHECK BOTH BOXES ABOVE ***

¹ A "Section 3 resident" is a public housing resident or a low- or very low-income person residing in the City of Houston or metropolitan area where the Section 3 covered assistance is expended.

² A "Section 3 Business Concern" is a business that can provide evidence that they meet one of the following criteria: 1) 51 percent or more owned by Section 3 Residents; or 2) at least 30 percent of its full-time employees include persons that are currently Section 3 residents, or were Section 3 residents within; or 3) Provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to business concerns that meet one of the first two qualifications above.

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PART II: SECTION 3 TRIGGER CONT.

IF THERE IS AN ANTICIPATED THE NEED TO HIRE OR SUBCONTRACT ON THIS PROJECT, COMPLETE PART II BELOW

Contractors and subcontractors awarded Section 3 covered contracts with an anticipated contract value in excess of \$100,000 and who will need to make additional hires to complete the contract must demonstrate compliance by committing to employ Section 3 residents as 30% of the aggregate number of new hires. Contractors and subcontractors are required to fill out this section in its entirety and must list all anticipated employment positions for this contract.

If awarded a contract, the contractor is required to provide an updated list of its workforce for the project, which shall be subject to approval by the Housing and Community Development Department. Any changes to that workforce during the contract will constitute new hires. The contractor is hereby informed that it must notify the Housing and Community Development Department of any new hire opportunities that arise during the life of the contract. NOTE: If hiring is anticipated and this section is not completed, the contractor may be deemed non-compliant.

HIRING PLAN				
Job Titles	Total # of Employees Needed for each Job Title	Total # of Employees Currently Employed at each Job Title	Total # of New Hires Needed for each Job Title	Total # of New Hires Expected to be Section 3 Residents
List all Job Titles that are needed to complete the entire scope of work under the contract	List how many employees are needed for the contract under each Job Title	List how many employees are currently employed under each Job Title who are anticipated to work on the contract	List how many of these positions are currently open and will need to be filled under the contract	List the number of Section 3 New Hires you will commit to for each position
Example: Laborer	10	4	6	5

Use an additional sheet if required

Based on the table above, outline the total number of new hires needed and percentage of new hires that will be Section 3 Residents:

HIRING COMMITMENT	
Total Number of New Hires Needed (Total of Column 4)	
Percentage of New Hires that will be Section 3 (Total of Column 5 ÷ Total of Column 4 × 100 = % of New Hires)	

