



St. Louis County, MN

ST. LOUIS COUNTY, MINNESOTA

Section 3

Contractor Compliance Plan for Non-PHAs HUD ENTITLEMENT PROGRAMS – CDBG, HOME & ESG

Form

1012b

Updated 7.3.23

This form is used for Section 3 contractor compliance reporting. www.stlouiscountymn.gov/communitydevelopment

This Compliance Plan should be completed by the general contractor as a part of the bid process. The general contractor must complete a Section 3 Compliance Plan for any prime contract on housing rehab, housing construction, and other public construction where HUD's HCD Assistance exceeds \$200,000. The general contractor is responsible for obtaining information for this Section 3 Compliance Plan from all subcontractors. The completed plan must be submitted before the first payment is disbursed or as requested by the St. Louis County Labor Officer as needed to monitor compliance. Contractors should consult the *St. Louis County Section 3 Administrative Plan* for definitions and further clarification.

Project Name:

Company Name:

Phone Number:

Email:

Purpose

Section 3 is a clause in the Housing and Urban Development Act of 1968. The Act's intent is to provide job training and employment opportunities from programs that receive HUD funding to local low-income residents and the businesses they own or that employ them.

Goal

For projects subject to Section 3, the goal is at least 25% of total labor hours will be worked by Section 3 Workers, and at least 5% of total labor hours will be worked by Targeted Section 3 Workers. The contractor must document how new employment and subcontracting opportunities have been directed *to the greatest extent feasible* to Section 3 Workers and Business Concerns to try to achieve these goals. This documentation must include efforts made by subcontractors to direct hiring opportunities to Section 3 residents. For projects not subject to Section 3, subrecipients are encouraged to consider ways to support the purpose of Section 3.

Contractor Responsibilities

- The subrecipient and/or general contractor is to ensure their subcontractors follow their Section 3 responsibilities.
 - Section 3 outreach and contract requirements are necessary for all general contracts where HUD's HCD Assistance exceeds \$200,000, along with all subcontracts under that contract.
 - The subrecipient and/or general contractor must ensure each subcontractor understands Section 3 requirements and goals. The subrecipient and/or general contractor must document its own efforts and each subcontractor's efforts to comply with these requirements.
- For Section 3 covered contracts, document the outreach efforts to recruit potential Section 3 residents for employment opportunities. Maintain documentation on the number of Section 3 residents that apply for new employment opportunities and the number of Section 3 businesses that bid on contracting opportunities.
- Complete and return this form for all contracts with information on:
 - Estimated hours, contracting, hiring, and training activities
 - Strategies to be implemented

Labor Hours

- Any *new employment opportunity* that results from a Section 3 covered contract must be directed, *to the greatest extent feasible*, to Section 3 Workers or Targeted Section 3 Workers.
 - A Section 3 Worker is defined as
 - A low or very low-income resident (the worker's income for the previous or annualized calendar year is below the income limit established by HUD)
 - A Targeted Section 3 Worker is defined as
 - A low or very low-income resident living within the service area or the neighborhood of the project, as defined in 24 CFR Part 75.5
 - A YouthBuild participant
 - A worker employed by a Section 3 Business Concern
 - To be qualified as a Section 3 Worker, an applicant must complete *Form 1011 St. Louis County Section 3 Self-Certification*.

Section 3 Workers applying for new employment opportunities must still be qualified for the position in order to be hired.

- Contractors will post any new employment opportunities utilizing the Workforce Centers, Union Halls, and other acceptable forms of worker outreach.
- When *considering* employment of a Section 3 resident and more than one qualified Section 3 applicant has applied, use this order of priority in considering the qualified applicants:
 - Low- and very-low-income workers residing within the service area or neighborhood of the project.
 - Current YouthBuild Participants.
- Properly document hours worked by Section 3 Workers and Targeted Section 3 Workers for the *Section 3 Compliance Plan*.
- Properly document outreach efforts to attempt to meet the Section 3 benchmarks.

Estimated Threshold Percentage by Project	Goal Total
Estimated Total Number of Work Hours: _____ x 25% =	_____ Section 3 Goal
Estimated Total Number of Work Hours: _____ x 5% =	_____ Targeted Section 3 Goal

Identify the strategies to be implemented, to the greatest extent feasible, to meet the above goals:

- ☐ Outreach efforts to generate job applicants who are Public Housing Targeted Workers.
- ☐ Outreach efforts to generate job applicants who are Other Funding Targeted Workers.
- ☐ Direct, on-the job training to section 3 workers (including apprenticeships).
- ☐ Indirect training such as arranging for, contracting for, or paying tuition for, off-site training for section 3 workers.
- ☐ Outreach efforts to identify and secure bids from Section 3 business concerns.
- ☐ Technical assistance to help Section 3 business concerns understand and bid on contracts.
- ☐ Division of contracts into smaller jobs to facilitate participation by Section 3 business concerns.
- ☐ Provided or connected public housing residents with assistance in seeking employment including: draft resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.
- ☐ Held one or more job fairs.
- ☐ Provided or connected public housing residents with supportive services that can provide direct services or referrals.
- ☐ Provided or connected public housing residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.
- ☐ Assisted public housing residents with finding childcare.
- ☐ Assisted public housing residents to apply for, or attend community college or a four year educational institution.

- ☐ Assisted public housing residents to apply for, or attend vocational/technical training.
- ☐ Assisted public housing residents to obtain financial literacy training and/or coaching.
- ☐ Bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- ☐ Provided or connected public housing residents with training on computer use or online technologies.
- ☐ Promoting the use of a business registry designed to create opportunities for disadvantaged and small businesses.
- ☐ Outreach, engagement, or referrals with the state one-stop system, as designed in Section 121(e)(2) of the workplace Innovation and Opportunity Act.
- ☐ Other. Specify:

Is this Business a Section 3 Business Concern? (See St. Louis County Section 3 Plan for Clarification)

☐ Yes ☐ No

Contractor Acceptance

I certify that I understand my responsibility for Section 3 Compliance.

Name (Print) _____

Title: _____

Signature: _____

Date: _____

Contact Economic and Community Development

Duluth Office

Government Services Center
320 W. 2nd Street, Suite 201
Duluth, MN 55802

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Tol Free (800) 450-9777
www.stlouiscountymn.gov/communitydevelopment

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