

A. PURPOSE

The purpose of Section 3 is to ensure that employment and other economic opportunities created by HUD assistance to construction and rehabilitation projects is directed to low-income persons.

B. COVERED PROJECT OR CONTRACT CRITERIA

A covered project is one that meets the Section 3 threshold level that is, a Project exceeds \$200,000 in Federal assistance for housing construction, reconstruction, conversion, rehabilitation or public construction.

A covered contract applies to contractors and subcontractors when any contract or subcontract exceeds \$100,000 (for a Project exceeding \$200,000).

C. REQUIRED COMPLIANCE GOALS

1. **Employment - 30%** of the aggregate number of **new hires** for a covered project will be low income persons (A low income person is defined as having a family income less than 80% of the HUD established median income for Washtenaw County as found in the Section 3 Resident Income Verification Form.); and
2. **Contracting** - Award at least **10%** of the total dollar amount for building trades work related to the project and at least **3 %** of all other covered contracts to Section 3 business concerns.

D. REPORTING RESPONSIBILITIES (Transmit reports via Email or as hard copies to address below)

During the life of the project these forms (not limited to these forms) are collected by the **Owner/Developer**, checked for accuracy and completeness and submitted with the Request for Reimbursement to the Office of Community Development. If there is no Request for Reimbursement within a quarter, submit the report to the Office of Community Development no less than quarterly.:

SECTION 3 CLAUSE ACKNOWLEDGEMENT FORM

1. **Owner/Developer** completes Section 3 Clause Acknowledgement Form (Submit once during life of project). The Section 3 Clause is required in every Section 3 covered contract and stipulates Section 3 applicability and requirements.

PERMANENT EMPLOYEE LISTING

1. **Owner/Developer** provides a complete list of permanent employees, including name and job category.
2. **Covered Contractor/Subcontractor** provides a complete list of permanent employees, including name and job category.

SECTION 3 SUMMARY REPORT FORM (HUD FORM 60002)

1. **Owner/Developer** completes the Section 3 Summary Report Form to account for all construction subcontractors and businesses providing other services working on the project.
2. **Covered Contractor/Subcontractor** completes the Section 3 Summary Report Form to report all new hires for the covered project. Contractor/subcontractor provides **all** Section 3 Resident New Hires the Section 3 Income Verification Form for completion and signature and proof of residency. The signed form supports the data reported on the Section 3 Project Work Force Utilization Form.

Transmit Documents to:

Terry R. Brinkman

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