

# Boyne City Housing Commission (BCHC)

## SECTION 3 PLAN

Adopted by Board of Commissioners 10/22/2025

### Small PHA Election & BCHC Profile

BCHC currently operates fewer than 250 public housing units. Pursuant to 24 CFR § 75.15(d), BCHC hereby elects the Small PHA qualitative reporting option. Under this option, BCHC will report qualitative efforts annually in lieu of labor-hour benchmarks unless otherwise required by HUD or specific grant conditions. BCHC may still collect labor-hour data when practical or when required by funding sources. This election does not relieve BCHC or its contractors/subcontractors from Section 3 obligations. BCHC will follow the prioritization of effort in § 75.9, integrate Section 3 into procurement and contracts, and maintain documentation in accordance with § 75.31 and 2 CFR § 200.334.

### Section 3 Coordinator & Contacts

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Boyne City Housing Commission, 829 S Park St, Boyne City, MI 49712

### Purpose & Applicability

This Plan establishes BCHC's policies and procedures to implement Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and HUD's final rule at 24 CFR Part 75 for public housing financial assistance. The Plan applies to BCHC-administered projects and to contractors and subcontractors performing work funded, in whole or in part, with such assistance.

### Key Definitions (summary)

1. Section 3 worker: As defined at 24 CFR § 75.5 (income-based, employed by a Section 3 business, or YouthBuild participant).
2. Targeted Section 3 worker (PH assistance): As defined at 24 CFR § 75.11 (e.g., resident of public housing/Section 8-assisted housing, YouthBuild).
3. Section 3 business concern: As defined at 24 CFR § 75.5 (ownership/control or labor-hours-based qualification).

### Prioritization of Effort (Employment, Training, and Contracting)

BCHC and its contractors/subcontractors will make best efforts consistent with 24 CFR § 75.9. Employment and training opportunities are prioritized for:

1. Residents of the assisted project.
2. Residents of other BCHC public housing/Section 8-assisted housing.
3. YouthBuild participants.
4. Other low- or very-low-income persons in the county/metropolitan area.

Contracting opportunities are prioritized for Section 3 business concerns that provide opportunities to the same groups in the same order.

### Benchmarks & Safe Harbor

HUD's benchmarks for public housing financial assistance are: (1)  $\geq 25\%$  of total labor hours by Section 3 workers and (2)  $\geq 5\%$  by Targeted Section 3 workers. Although BCHC elects the Small PHA qualitative reporting option under § 75.15(d), BCHC adopts these benchmarks as internal targets on projects where labor-hour tracking is feasible. Meeting both benchmarks and certifying compliance with the prioritization of effort constitutes Safe Harbor.

## **Procurement Integration & Required Contract Clauses**

BCHC's Procurement Policy incorporates this Plan. All applicable solicitations and contracts will include Section 3 requirements and the clause below. Contractors must flow down Section 3 to subcontractors, collect and submit required information, and cooperate with BCHC monitoring.

### **Required Contract Clause (attach to each covered contract)**

The Contractor agrees to comply with Section 3 (24 CFR Part 75).

The Contractor shall:

1. Make best efforts aligned with § 75.9 priorities.
2. Certify worker status and maintain documentation.
3. Submit monthly/quarterly qualitative efforts (and labor-hour reports if requested).
4. Require subcontractors to comply.
5. Acknowledge that failure to comply may result in remedies including withholding of payments or termination.

### **Documentation, Reporting & Records**

1. Reporting: BCHC elects Small PHA qualitative reporting under § 75.15(d). BCHC will document and report qualitative efforts annually and may request labor-hour reports on a project-by-project basis when feasible or required by funding sources.
2. Records: BCHC and contractors will maintain Section 3 records for at least three (3) years after final financial report or longer per program rule/audit. Records include worker/business certifications, procurement files, qualitative efforts, and contract compliance documentation (2 CFR § 200.334).

### **Qualitative Efforts (menu of best efforts)**

Examples include targeted outreach; coordination with local workforce agencies (e.g., Michigan Works); job fairs; training/apprenticeships; technical assistance to Section 3 workers/business concerns; subdividing contracts; bonding/insurance assistance; and use of registries. BCHC will document these efforts each reporting period.

### **Complaint & Compliance**

Complaints alleging noncompliance with Section 3 may be filed with the Section 3 Coordinator. BCHC will investigate, request corrective action plans, and impose remedies as appropriate. BCHC will cooperate with HUD in any compliance review.

### **Plan Maintenance & Board Adoption**

This Plan will be reviewed annually. Revisions will be presented to the Board for approval and incorporated into Procurement and project procedures.