**CDBG SECTION 3 REPORTING FORM**

**Project Title**:

**Grant Identifier:**

**Form Completed By:**

**Title:**

**Date:**

Yes or No: Did your project receive more than $200,000 in Federal funding (CDBG, CDBG-CV, RHP, HOME, HTF, ESG, RHP, EDI Grants etc.)?
or
Did your project receive more than $100,000 in assistance from the Lead Hazard Control and Healthy Homes programs.

Yes or No: Did your project involve Section 3 activities? Section 3 activities are defined as the construction or rehabilitation of housing (including reduction of lead-based paint hazards), or other public construction such as street repair, sewage line repair or installation, updates to building facades, etc.

**If you answered yes to both these questions Section 3 applies.**

**[ ]  N/A**

**Part 1 - Labor Hours**

All contractors and subcontractors working on the project will need to track labor hours spent on the project. Please provide the cumulative hours for all contractors each reporting period. HUD has now set new benchmarks/goals for Section 3 projects, 25% of the labor hours worked should be by Section 3 Workers and 5% of the labor hours worked should be by Targeted Section 3 Workers. If a project cannot meet the benchmark/goals by the hours reported for this period, Part 2 will need to be completed to indicate the efforts made to achieve the goals of Section 3.

**Labor Hours:**

**Section 3 Target Worker Hours:**

**Section 3 Worker Hours:**

*(see definitions at the end of document)*

**Part II. Summary of Efforts Made to Reach Section 3 Workers**

This section is required if, based on the labor hours above, the reporting project did not meet the safe harbor benchmarks. Check all that apply.

[ ]  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 (including apprenticeships).

[ ]  Indirect training such as arranging for, contacting for, or paying tuition for, off-site training.

[ ]  Technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching)

[ ]  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 residents with assistance in seeking employment including: drafting resumes, preparing for interviews, finding job opportunities, connecting residents to job placement services.

[ ]  Held one or more job fairs.

[ ]  Provided or connected residents with supportive services that can provide direct services or referrals.

[ ]  Provided or connected residents with supportive services that provide one or more of the following: work readiness health screenings, interview clothing, uniforms, test fees, transportation.

[ ]  Assisted residents with finding childcare.

[ ]  Assisted residents to apply for/or attend community college or a four-year education institution.

[ ]  Assisted residents to apply for or attend vocational/technical training.

[ ]  Assisted 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 residents with training on computer use or online technologies.

[ ]  Other Specify:

Please provide detailed information on the efforts made to reach Section 3 workers. All documentation of efforts made, and qualification of Section 3 workers must be maintained and be part of grant record. This information must be made available upon request for HUD review.

**Comments:**

**DEFINITIONS**

***Targeted Section 3 worker*** **means:**

A Targeted Section 3 worker for public housing financial assistance means a Section 3 worker who is:

1. A worker employed by a Section 3 business concern; or
2. A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
	1. Living within the service area or the neighborhood of the project, as defined in [24 CFR § 75.5](https://www.ecfr.gov/cgi-bin/text-idx?SID=8b10677cfc348a035502b755f8b1195f&mc=true&node=pt24.1.75&rgn=div5#se24.1.75_15); or
	2. A YouthBuild participant

If a contractor or subcontractor hires a worker who qualifies as a Targeted Section 3 worker at the time of hire that documentation should be maintained as their work hours can be claimed as a Targeted Section 3 worker for 5 years from that date.

***Section 3 Worker* means:**

1. Any worker who currently fits, or when hired within the past five years fit, at least one of the following categories, as documented:
	1. The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
	2. The worker is employed by a Section 3 business concern.
	3. The worker is a YouthBuild participant.
2. The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.
3. Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.

If a contractor or subcontractor hires a worker who qualifies as a Section 3 worker at the time of hire, that documentation of that worker’s Section 3 status should be maintained as their work hours can be claimed as a Section 3 worker for up to 5 years from that date.

***Section 3 business concern* means:**

1. A business concern meeting at least one of the following criteria, documented within the last six-month period:
	1. It is at least 51 percent owned and controlled by low- or very low-income persons;
	2. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
	3. It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
2. The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.
3. Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

[Section 3 Businesses can register with HUD](http://www.hakc.org/sites/www/Uploads/Planning/Procurement/Section%203%20Business%20Registry%20Factsheet.pdf) and will be given some priority in the bidding process for Section 3 projects. Businesses will be asked to [self-certify as to Section 3 status](https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness) through the registration process. HUD does not independently verify self-certified Section 3 Businesses. It is up to the hiring entity to perform due diligence before awarding contracts to self-certified businesses.

The Section 3 Registry allows HUD fund recipients to more easily search for Section 3 businesses that might service their projects. Further, Section 3 businesses are given preference via [24 CFR § 135.36 Preference for section 3 business concerns in contracting opportunities](https://www.law.cornell.edu/cfr/text/24/135.36). This preference does not guarantee the Section 3 business will be awarded the contract over other bidders, but it does require HUD fund recipients, contractors and subcontractors to “direct their efforts to award section 3 covered contracts, to the greatest extent feasible, to section 3 business concerns.”