

HOUSING and URBAN DEVELOPMENT ACT OF 1968: SECTION 3 **PROJECT COMPLETION REPORT**

Section 3, as amended, requires that to the greatest extent feasible, economic opportunities are given to residents and businesses in the area where HUD assistance is received, particularly to those who are of low- and very-low income.

WHAT IS A SECTION 3 ACTIVITY?

Any activity that results from a federally funded program or project involving rehabilitation of new construction, particularly those that meet the required threshold amounts. This may include employment opportunities for administrative staff needed as a direct result of this funding, as well as contracts and subcontracts awarded for the construction. It can involve training and employment opportunities provided directly by the contractor and subcontractor, or the awarding of contracts to Section 3 businesses (see *Attachment 1: Glossary* for a definition of Section 3 businesses, as well as other relevant terms).

WHO MUST REPORT THEIR SECTION 3 EFFORTS?

1. Project recipients having been awarded over \$200,000 in federal funds.
2. Project recipients having a particular project where a construction/rehabilitation contract was awarded over \$100,000 during the reporting timeframe, regardless of whether funds were expended.
3. Contractors and subcontractors receiving contracts in excess of \$100,000. Project recipients must collect and summarize this information from their contractors.
4. Sponsors who do not meet any of the threshold amounts but who have Section 3 practices and policies in place may report their efforts on this form.

WHAT SHOULD I REPORT?

1. **Part 1** of this form relates to employment opportunities for new hires as a **direct result of a federally funded Section 3 activity** (rehab or new construction). This should include individuals hired by you and by the General Contractor and Subcontractors on your job (for those contracts exceeding \$100,000).
2. **Part 2** of this form relates to contracts and subcontracts awarded to Section 3 businesses for Section 3 projects. *Part A* is to be filled out for construction contracts let, and *Part B* is for non-construction contracts related to the Section 3 project. **Part 2** is to be filled out only for Section 3 projects. A Section 3 project is one in which there was a construction/rehabilitation contract awarded in an amount that exceeds \$100,000. A Sponsor that is working with Section 3 businesses but where the rehab activity is for amounts under the \$100,000 threshold should report these efforts under **Part 3**. Sponsors engaging in Section 3 efforts in awarding contracts, but who have no federally funded projects where a contract exceeds \$100,000 should fill out **Part 1** and **Part 3** only.
3. **Part 3** of this form is for you to let us know about your Section 3 efforts and policies.
4. Where a particular contract meets or exceeds the \$100,000 Section 3 threshold, Sponsors must fill out **Part 1, Part 2** and **Part 3**, and must include information collected regarding **Part 1, Part 2** and **Part 3** from all contractors and subcontractors receiving contracts of \$100,000 or more.

If you need help with this report, please call Ron Moore at 987-5622.

HOUSING and URBAN DEVELOPMENT ACT of 1968: SECTION 3
Economic Opportunities for Low- and Very Low-Income Persons

INSTRUCTIONS

This form is to be used to report at project completion accomplishments regarding employment, training and contracting opportunities provided to low- and very low-income persons under Section 3 of the Housing & Urban Development Act of 1968. The Section 3 regulations apply to recipients meeting the following thresholds: *assistance in excess of \$200,000* expended for (1) housing rehabilitation (including reduction and abatement of lead-based paint hazards); (2) housing construction; or (3) other public construction projects; *and to contracts and subcontracts in excess of \$100,000* awarded in connection with Section 3-covered activity.

Part I of this report form relates to *employment and training*. **Part II** summarizes recipients' *efforts* to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.

1. **Recipient:** Enter the name and address of the recipient submitting this report.
2. **Project No.:** Enter your project number, if assigned.
3. **Dollar Amount of Award:** Enter the dollar amount, rounded to the nearest dollar, awarded to the recipient by the City.
- 4/5. **Contact Person/Phone:** Enter the name and phone number of the person with knowledge of the award and the recipient's implementation of Section 3.
6. **Reporting Period:** Indicate the time period (months and year) this report covers.
7. **Date Report Submitted:** Enter the appropriate date.

PART I: EMPLOYMENT AND TRAINING OPPORTUNITIES

Block A: Contains various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e., supervisors, architects, surveyors, planners and computer programmers). For construction positions, list each trade and provide data in columns B through F for each trade where persons were employed. The category of "Other" includes occupations such as service workers.

Block B: Enter under each racial/ethnic code (1-5) the number of employees and trainees recorded in columns D and E.

PART II: CONTRACT OPPORTUNITIES

Block 1: Construction Contracts

Item A: Enter the total dollar amount of contracts connected with the project/program.

Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with the project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards. Indicate the appropriate racial/ethnic codes(s).

Item E: Enter under each racial/ethnic code (1-6) the number of employees and trainees recorded in Item D.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of contracts connected with this project/program.

Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.

Item C: Enter the percentage of the total dollar amount of contracts connected with the project/program awarded to Section 3 businesses.

Item D: Enter the number of Section 3 businesses receiving awards. Indicate the appropriate racial/ethnic code(s).

Item E: Enter under each racial/ethnic code (1-6) the number of employees and trainees recorded in Item D.

PART III: SUMMARY OF EFFORTS

Describe efforts and obstacles to providing economic opportunities for low- and very low-income persons. You may include efforts regarding contracts that do not meet the required Section 3 threshold (in excess of \$100,000) which would be reported in Part II.

ECONOMIC OPPORTUNITIES FOR LOW AND VERY LOW INCOME PERSONS IN CONNECTION WITH ASSISTED PROJECTS (HUD Act of 1968, Section 3)

Recipient Name & Address:	Project No: _____ Total Federal Grant/Loan: \$ _____ Contact Person: _____ Phone: _____ Reporting Period: _____
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Part 1: Employment and Training								
A. Total New Hires by Job Category	B. % of Aggregate New Hires that are Section 3 Residents	C. % of total staff hours for Section 3 Employees and Trainees	D. Number of Section 3 Employees and Trainees	E. Racial/Ethnic Code(s)				
				1	2	3	4	5
Professionals								
Technicians								
Office/Clerical								
Construction by Trade								
Trade:								
Trade:								
Trade:								
Trade:								
Trade:								
Other (List)								
TOTAL								

Racial/Ethnic Codes

1 = White American
 2 = Black American
 3 = Native American
 4 = Hispanic American
 5 = Asian/Pacific American
 6 = Hasidic Jew (for Part 11 only)

PART 2: Contracts Awarded

1. For Construction Contracts only to Section 3 projects:

- A. Total dollar amount of all contracts awarded for construction \$ _____
- B. Total dollar amount of contracts awarded to Section 3 Businesses \$ _____
- C. Percentage of total dollar amount awarded to Section 3 Businesses _____ (%)
- D. Total No. of Section 3 Businesses receiving contracts _____
- E. Total number of Section 3 businesses by ethnic codes (see pg. 1)

1)	2)	3)	4)	5)	6)
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2. For NON-Construction Contracts awarded for Section 3 projects:

- A. Total dollar amount of non-construction contracts awarded for projects \$ _____
- B. Total dollar amount of non-construction contracts to Section Businesses \$ _____
- C. Percentage of total dollar amount awarded to Section 3 Businesses _____ (%)
- D. Total No. of Section 3 Businesses receiving non construction contracts _____
- E. Total number of Section 3 businesses by ethnic codes (see pg. 1)

1)	2)	3)	4)	5)	6)
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PART 3: Summary

Indicate all efforts made to direct the employment and other economic opportunities generated by HOME assistance for your program, to the greatest extent feasible, toward low- and very low-income persons:

- _____ Attempted to recruit low-income residents through: local advertising media signs prominently displayed at the project site, contacts with community organizations and public or private agencies operating within the area in which the covered program is located, or similar methods.
- _____ Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- _____ Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- _____ Coordinated with YouthBuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- _____ Other Section 3 outreach efforts or Programs (add additional *pages* to *your narrative as necessary*).

Prepared by: _____

Date: _____

GLOSSARY

SECTION 3 TERMS

1. Employment Opportunities Generated by Section 3 Covered Assistance	Rehabilitation and construction positions pursuant to the activities covered by Section 3, plus management and administrative jobs (including architectural, engineering or related professional services required to prepare plans, drawings, specifications or work write-ups) and jobs directly related to the administrative support of these activities (e.g. construction manager, relocation specialist, payroll clerk, etc.)
2. Housing and Community Development Assistance	Any financial assistance provided or otherwise made available through a HUD housing or community development program through any grant, loan, loan guarantee, cooperative agreement, or contract, and includes community development funds in the form of community development block grants, and loans guaranteed under Section 108 of the Housing and Community Development Act of 1974, as amended. Housing and Community Development assistance does not include financial assistance provided through a contract of insurance or guaranty.
3. Service Area	The geographical area in which the persons benefiting from the Section 3 covered assistance project reside. The service area shall not extend beyond the unit of general local government in which the Section 3 covered assistance is expended.
4. New Hires	Full-time employees for permanent, temporary or seasonal employment opportunities.
5. Recipient	Any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State, unit of local government, PHA, IHA, Indian Tribe or other public body, public or private non-profit organization, private agency or institution, mortgagors, developers, limited dividend sponsors, builder, property manager, RMC, RC, or cooperative association, Recipient also includes any successor, assignee, or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.
6. Section 3 Business Concern	A business concern that is (1) 51% or more owned by Section 3 residents, (2) whose permanent, full-time employees include persons at least 30% of whom are currently Section 3 residents, or within three years of the date of first employment with the business and Section 3 residents, or (3) that provides evidence of a commitment to subcontract in excess of 25% of the of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications of (1) and (2) above.
7. Section 3 Covered Contract	A contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project. "Section 3 covered contracts" do not include contracts awarded under HUD's procurement program nor contracts for supplies and materials. However, when a contract for supplies and materials includes the installation of the materials, the contract constitutes a Section 3 covered contract (i.e. the installation of a furnace).
8. Section 3 Covered Project	The construction, reconstruction, conversion, or rehabilitation of housing (including the reduction of lead-based paint hazards), other public construction which includes buildings or improvement (regardless of ownership) assisted with housing or community development assistance.
9. Section 3 Resident	(1) A public housing resident, or (2) an individual who resides in the metropolitan area or non-metropolitan county in which the Section 3 covered assistance is expended, and who is (a) a low-income person (with income not exceeding 80% of median), or (b) a very low-income person (with income not exceeding 50% of median).