

CDBG and Section 3 Reporting Requirements

General Information

The Housing and Community Development Act of 1968 includes a provision (Section 3) designed to assist local economic development while improving neighborhood economic conditions. Section 3 requires that recipients of certain HUD funding provide, to the best of their abilities, job training, employment and contracting opportunities for low or very low income residents or business interests in connection with projects and activities in their neighborhood. This applies to CDBG projects in the amount of \$200,000 or more. Section 3 is different from Minority and Women Owned business considerations as it is both race and gender neutral and instead focuses on those with low incomes.

Compliance Information

As CDBG grantee you will be responsible for making sure there is outreach to make low income persons in your community aware of potential job training or employment that will result from a CDBG project. The most appropriate manner for compliance may be incorporating this into the agreement that is made with the project contractor. Contractors who receive more than \$100,000 are required to comply with Section 3 in the same manner as the grantee that provided funding to them.

Recipients of \$200,000 or more of Community Development Block Grant (CDBG) and/or contractors/subcontractors who receive more than \$100,000 on a CDBG funded project are required to comply with Section 3 requirements. Section 3 of the Housing and Community Development Act of 1968 stipulates that a good faith effort must be made to extend employment and job training opportunities to low income residents and business opportunities (contracting services or supply procurement) to Section 3 Business Concern.

A Section 3 resident is a resident of public housing or a low income person. HUD income guidelines can be found at http://www.wyomingbusiness.org/pdf/irc/2010_Low_Very_Low.pdf.

A Section 3 Business Concern is one that meets ONE of the following criteria:

- A) the majority ownership is held by Section 3 residents,
- B) at least 30% of full time employees are Section 3 residents or were within the first three years of their employment with the business or
- C) more than 25% of the business' work is subcontracted to a business that meets one of the first two criteria.

Other Resources

A person alleging a Section 3 complaint may file same at the regional Fair Housing Office (www.hud.gov/offices/fheo).

The following Links may also be helpful.

General Information

<http://www.hud.gov/offices/fheo/section3/section3.cfm>

Section 3 Requirements

<http://www.hud.gov/offices/fheo/section3/Sec3-Reporting-Guidance-cpd-final-1.31.pdf>

Frequently Asked Questions

<http://www.hud.gov/offices/fheo/section3/FAQ08.pdf>

Section 3 Reporting Form

Attached is the form you will be required to submit at the completion of the project. If you are the contractor, please submit to your designated local government contact. Local government grantees will submit to the Wyoming Business Council. Monitoring may be done periodically throughout the project to verify efforts to comply with this requirement. Please contact the Wyoming Business Council if you have questions regarding this information.

Name of Recipient/Contractor _____

Name of Project _____

Amount of Bid Awarded _____ Date of Award _____

Please describe the efforts made to direct employment, training or business opportunities to low income residents or Section 3 businesses (i.e: notices on the work site, information disseminated through local churches, unions, community service organizations, local media or advertisements).

How did you verify their Section 3 status?

EMPLOYMENT AND TRAINING:

| Job Category | # New Hires | # New Hires that are Sec 3 | % of aggregate number of staff hours or new hires that are Sec 3 | % of total staff hours for Sec 3 Employees and Trainees | Number of Sec 3 Trainees |
|-------------------------------|-------------|----------------------------|--|---|--------------------------|
| Professionals | | | | | |
| Technicians | | | | | |
| Office/Clerical | | | | | |
| Construction by trade (List): | | | | | |
| Trade | | | | | |
| Trade | | | | | |

| | | | | | |
|-------|--|--|--|--|--|
| Other | | | | | |
| Other | | | | | |
| TOTAL | | | | | |

Contracts Awarded

Construction contracts:

Total amount of all construction contracts awarded on project \$ _____

Total amount of construction contracts awarded to Sec. 3 Businesses \$ _____

Total number of Section 3 Businesses awarded construction contracts _____

Non-Construction contracts:

Total amount of all non-construction contracts awarded on project \$ _____

Total amount of non-construction contracts awarded to Sec. 3 Businesses \$ _____

Total number of Section 3 Businesses awarded non-construction contracts _____

I certify that I hired or trained Section 3 residents and/or obtained services, supplies or construction sub-contracts from Section 3 businesses as described above.

Signature of Prime Contractor

Date

Printed Name of Prime Contractor _____