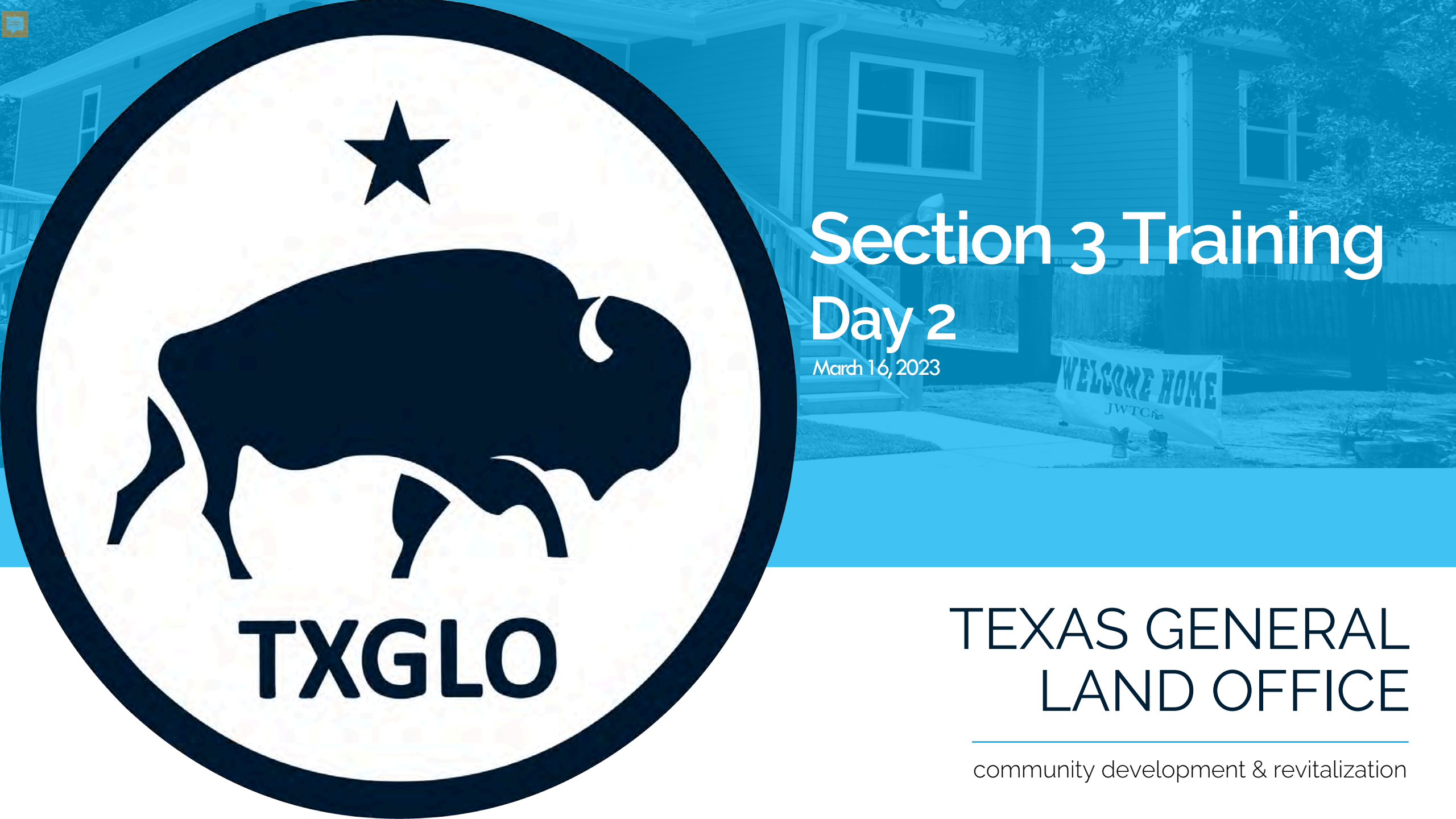

Section 3 Training

Day 2

March 16, 2023

TEXAS GENERAL LAND OFFICE

community development & revitalization

PRESENTERS

Les Warner

Senior Technical Specialist | ICF

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Module 2: Plan and Implement

Module 1: Understanding Section 3 Basics

Module 2: Plan and Implement

Module 3: Program Oversight

Module 4: Report & Evaluate

Module 2
Learning Objectives

By the end of this module, you will be able to answer the following questions:

- What is the purpose and components of a Section 3 Plan?
- What are considerations for hiring eligible and qualified workers?
- What are considerations for contracting with eligible businesses?
- How do you recruit Section 3 Workers and Businesses?
- What is the certification process?
- What are the contracting and procurement tips to help achieve compliance?

Purpose of Section 3 Plan

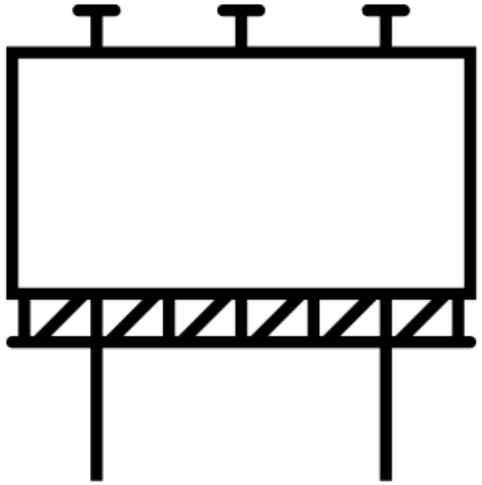
Section 3 in Action

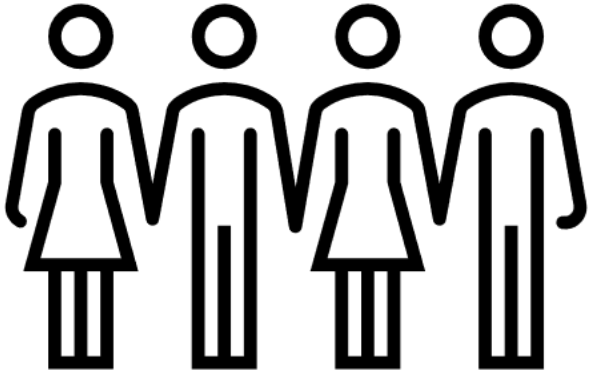
- Aid recipients, subrecipients, contractors, and subcontractors with complying with the Section 3 requirements.
- Serves as a guide for implementing the requirements and meeting the Section 3 goals.
- Includes policies and procedures for grantee, subrecipients, and all other partners.

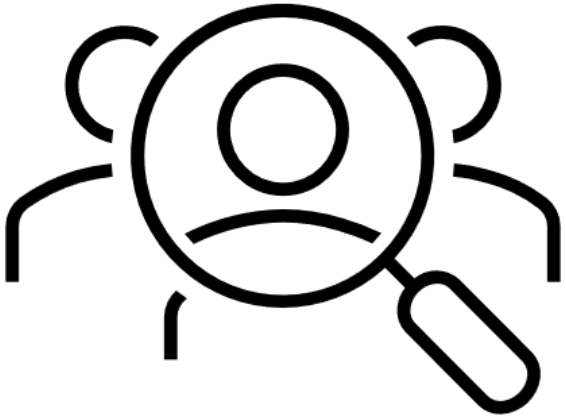
Section 3 Plan Components

- Policy Statement/Purpose
- Section 3 Applicability
- Section 3 Goals/Safe Harbor Benchmarks
- Recipient and Contractor Responsibilities
- Prioritization and Eligibility Requirements for Workers and Business
- Section 3 Certification Procedures for Workers and Businesses
- Reporting Deadlines
- Complaint Procedures

Effective Recruitment of Section 3 Workers & Targeted Section 3 Workers







Check out the list of example qualitative efforts in CFR 24 Part 75.15 and Part 75.25.

Hiring Eligible and Qualified Workers

- The Section 3 regulations lists the types of evidence workers may submit for eligibility.

- Effective program implementation requires a process for determining eligibility:
  - Developing a Section 3 worker certification form to be used to certify workers.

Opportunity Portal

Section 3 Workers

- Search for employment and training opportunities
- Post Resume

Section 3 Recipients and Business Concerns

- Post job and training positions
- Search for job applicants
- Post contract opportunities

Section 3 Business Concerns

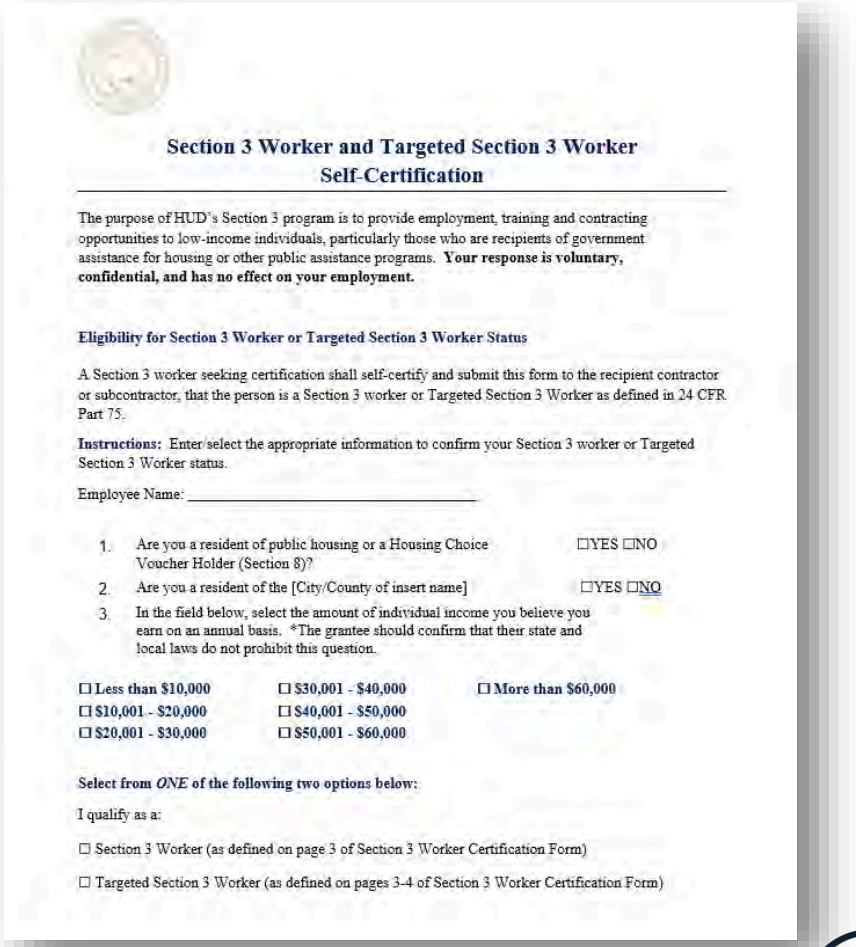
- Search for contracts

https://hudapps.hud.gov/OpportunityPortal

Certification: Section 3 Worker

One of the following certifications must be maintained:

- A worker's self-certification stating that their income is below the income limit,
- A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing,
- Certification from a PHA, or the owner or property manager of Project-Based Section 8-assisted housing, or the administrator of Tenant-Based Section 8-assisted housing that the worker is a participant in one of their programs,
- An employer's certification that the worker's income from that employer is below the income limit when based on an employer's calculation of what the worker's wage rate would translate to if annualized on a full-time basis or,
- An employer's certification that the worker is employed by a Section 3 business concern.



Section 3 Worker and Targeted Section 3 Worker Self-Certification

The purpose of HUD's Section 3 program is to provide employment, training and contracting opportunities to low-income individuals, particularly those who are recipients of government assistance for housing or other public assistance programs. **Your response is voluntary, confidential, and has no effect on your employment.**

Eligibility for Section 3 Worker or Targeted Section 3 Worker Status

A Section 3 worker seeking certification shall self-certify and submit this form to the recipient contractor or subcontractor, that the person is a Section 3 worker or Targeted Section 3 Worker as defined in 24 CFR Part 75.

Instructions: Enter/select the appropriate information to confirm your Section 3 worker or Targeted Section 3 Worker status.

Employee Name: _____

1. Are you a resident of public housing or a Housing Choice Voucher Holder (Section 8)? ☐YES ☐NO
2. Are you a resident of the [City/County of insert name] ☐YES ☐NO
3. In the field below, select the amount of individual income you believe you earn on an annual basis. *The grantee should confirm that their state and local laws do not prohibit this question.

☐ **Less than $10,000** ☐ **$30,001 - $40,000** ☐ **More than $60,000**
☐ **$10,001 - $20,000** ☐ **$40,001 - $50,000**
☐ **$20,001 - $30,000** ☐ **$50,001 - $60,000**

Select from *ONE* of the following two options below:

I qualify as a:

☐ Section 3 Worker (as defined on page 3 of Section 3 Worker Certification Form)

☐ Targeted Section 3 Worker (as defined on pages 3-4 of Section 3 Worker Certification Form)

Certification: Targeted Section 3 Worker

HCD Assistance – Subpart C

- An employer's confirmation that a worker's residence is within one mile of the work site or, if fewer than 5,000 people live within one mile of a work site, within a circle centered on the work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census;

- An employer's certification that the worker is employed by a Section 3 business concern; or

- A worker's self-certification that the worker is a YouthBuild participant.

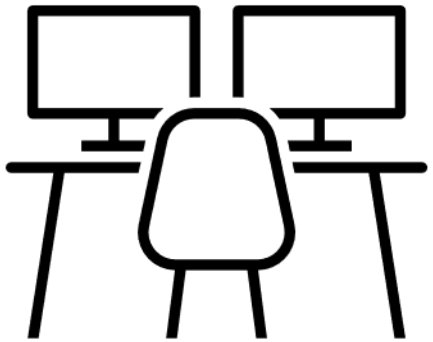
Recruitment of Section 3 Business Concerns

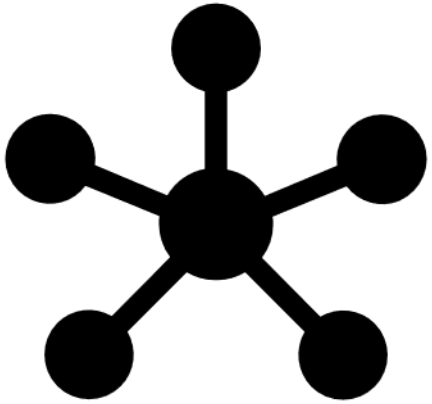
Communicate

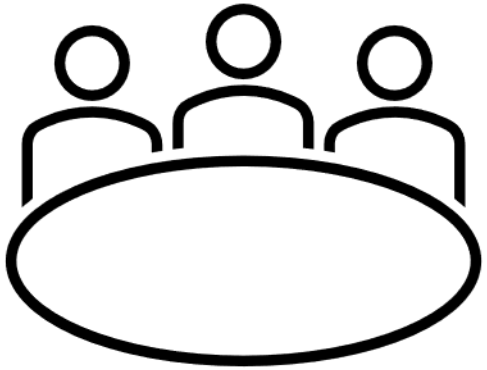
Network

Use the Tool

Capacity Building







Business Registry

- Businesses self-certify to meet the definition of a Section 3 business.
- Grantees find Section 3 businesses to hire.
- Residents find Section 3 business to inquire about jobs.

Section 3 Business Registry can be found at: http://hud.gov/Sec3Biz

Certification: Section 3 Business Concern

To qualify as a Section 3 Business, <u>one</u> of the following must be documented (within the last six-month period):

- 51% or more owned and controlled by low or very low-income persons,

OR

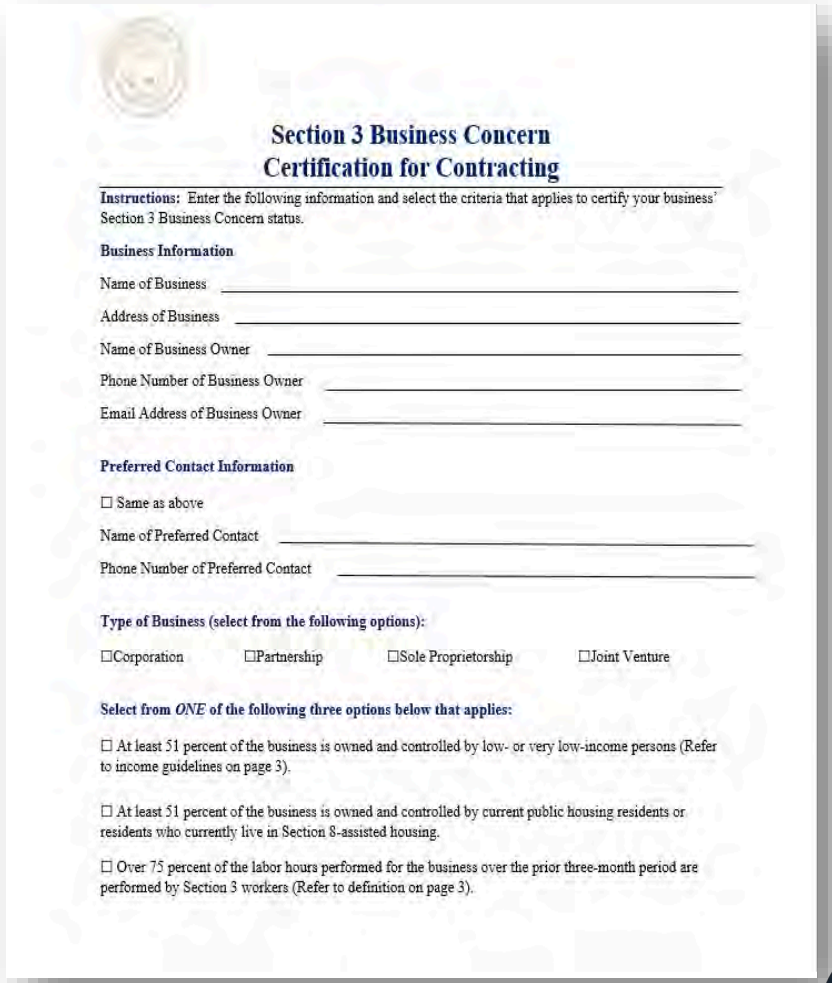
- Over 75% of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers,

OR

- 51% or more owned and controlled by current residents of public housing or Section 8-assisted housing.

Certification: Section 3 Business Concern - Continued

- Business concerns may self-certify to claim eligibility.
- Business concerns bidding on Section 3 project should submit certification during the bidding or contracting process.
- Section 3 status should be verified before awarding contracts or subcontracts to businesses that self-certified.
- A Section 3 Business Concern will retain status for as long as it continues to meet the definition.
- Eligible Section 3 Business Concerns are responsible for maintaining records that verify eligibility.



Section 3 Business Concern
Certification for Contracting

Instructions: Enter the following information and select the criteria that applies to certify your business' Section 3 Business Concern status.

Business Information

Name of Business _____

Address of Business _____

Name of Business Owner _____

Phone Number of Business Owner _____

Email Address of Business Owner _____

Preferred Contact Information

☐ Same as above

Name of Preferred Contact _____

Phone Number of Preferred Contact _____

Type of Business (select from the following options):

☐Corporation ☐Partnership ☐Sole Proprietorship ☐Joint Venture

Select from *ONE* of the following three options below that applies:

☐ At least 51 percent of the business is owned and controlled by low- or very low-income persons (Refer to income guidelines on page 3).

☐ At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

☐ Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers (Refer to definition on page 3).

Contract Provisions

Must include language applying Section 3 requirements in any subrecipient agreement or contract for a Section 3 project.

Must also require subrecipients, contractors, and subcontractors to meet the prioritization requirements of § 75.19 regardless of whether Section 3 language is included in recipient or subrecipient agreements, program regulatory agreements, or contracts.

Contract Provisions

Pre-Bid

Bid/Offer/Proposal Submission

Contract Award/Prior to Execution

Pre-Construction Conference

Assisting Contractors with Achieving Compliance

Best Practices for Contracting with Eligible Businesses

Process & Policies

Coordination & Communication

Module 3: Program Oversight

Module 3: Program Oversight

Module 1: Understanding Section 3 Basics

Module 2: Plan and Implement

Module 3: Program Oversight

Module 4: Report & Evaluate

Module 3
Learning Objectives

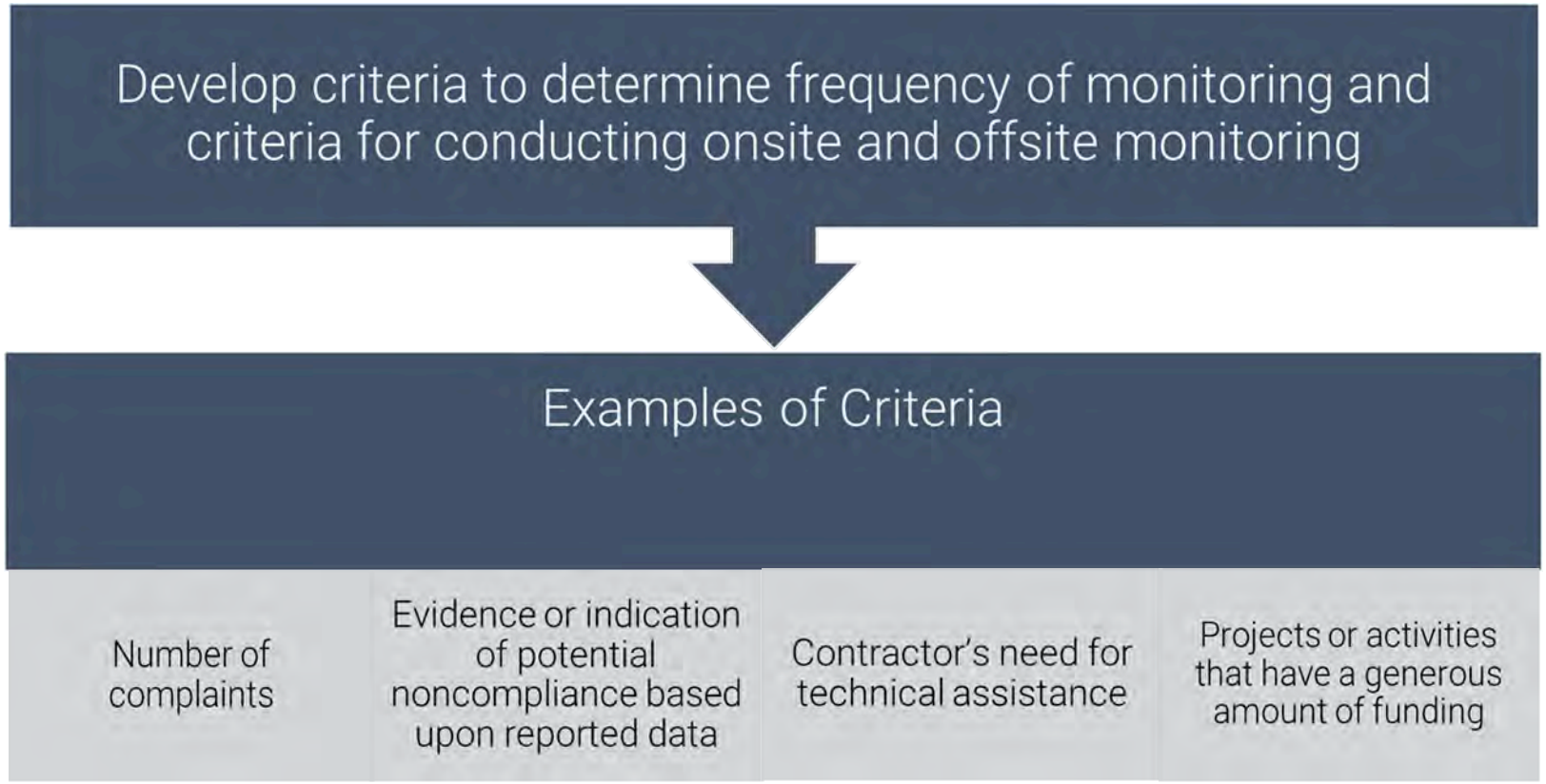
By the end of this module, you will be able to answer the following questions:

- What are best practices for Section 3 program oversight?
- What information is needed to prepare for a HUD compliance review?
- What are the recordkeeping requirements for Section 3?
- What is the process for filing Section 3 complaints?

Keys to Success

- Ensuring that safe harbor provisions and certification requirements are met (to the greatest extent feasible).
- Ensuring that contract provisions are included in subcontracts.
- Monitoring subrecipient contractor and subcontractor compliance.
- Taking action to correct Section 3 noncompliance issues.
- Clearly communicating recordkeeping requirements to contractors.

Monitoring & Oversight



Tracking Compliance

Develop procedures and implement a process for tracking subrecipient, contractor, and subcontractor compliance

Procedures may include:

- Requiring subrecipients, contractors, and subcontractors to submit reports
- Establishing a timeline for reporting (weekly, monthly, quarterly)

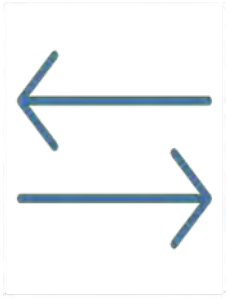
Streamlining Tracking Davis-Bacon & Section 3

Subrecipients can utilize certified payroll submissions for Davis-Bacon to track Section 3 compliance by:

- Total labor hours worked on project.
- Section 3 labor hours worked on project.
- Targeted Section 3 labor hours worked.

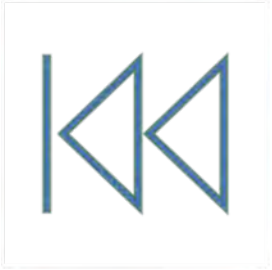
Preparing for a Compliance Review

HUD may conduct a compliance review of a recipient agency.

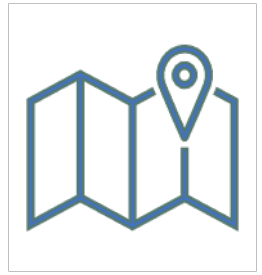


Result from several sources

May be random



May be initiated prior to the award of funding



May be geographically dispersed

Recordkeeping Requirements

Provide HUD access to all records

Maintain Documentation

Follow Record Retention Requirements

Observe 5-year Reporting Period

Types of Records

Records showing total labor hours worked by all workers.

- Records showing labor hours worked by Section 3 workers and Targeted Section 3 workers.
- Documentation of awarded contracts/subcontracts to business concerns that provide economic opportunities to Section 3 workers per the prioritization requirements.
- Documentation outlining qualitative efforts made to meet goals/requirements.
- Section 3 Worker, Targeted Section 3 Worker, and Section 3 business certifications.

Module 4: Report and Evaluate

Module 1: Understanding Section 3 Basics

Module 2: Plan and Implement

Module 3: Program Oversight

Module 4: Report & Evaluate

Module 4
Learning Objectives

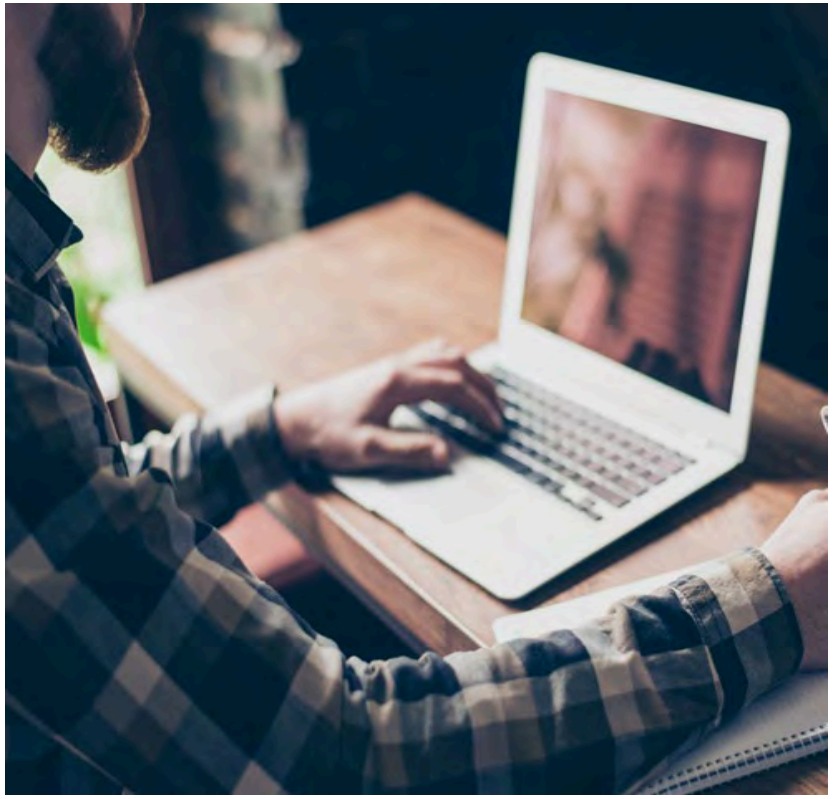
By the end of this module, you will be able to answer the following questions:

- What are the reporting responsibilities of recipient agencies?
- What system should be used for reporting Section 3 activities and effort?
- What is the timeline for reporting Section 3 activities and efforts?
- What information should be reported?

What Are We Reporting On?

Same data will be collected across programs for consistency

→ Difference will be how it looks when reported



Data Fields:

- Section 3 Labor Hours
- Nature of Recipient's Efforts
- Section 3 Compliance Summary

Final Rules Timeline: Legacy Projects

Legacy Projects: Contracts executed or projects for which assistance or funds were committed prior to November 30, 2020.

Requirement:

- Adhere to the old rule (24 CFR Part 135).
- Expected to maintain records but will no longer be required to report Section 3 compliance to HUD in Performance Evaluation and Registration System (SPEARS).

Final Rules Timeline: Transition Period

Transition Period: Projects for which assistance or funds are committed between November 30, 2020 and July 1, 2021.

Requirement:

- Adhere to the final rule (24 CFR Part 75).
- Expected to maintain records but will no longer be required to report Section 3 compliance to HUD in Performance Evaluation and Registration System (SPEARS).

Additional Clarification (CPD Notice 21-09):

- Office of Block Grant Assistance-Funded Projects: Report in Integrated Disbursement and Information System (IDIS) or Disaster Recovery Grant Reporting (DRGR) for open activities starting July 21, 2021.

General Reporting Considerations

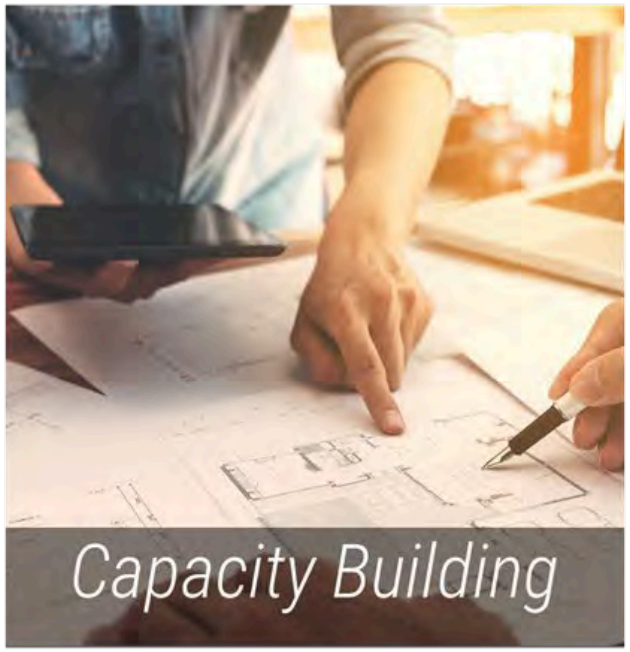
Employer's Good Faith Assessment.

Inclusion of Professional Service Hours.

Labor hours must include those worked by any subrecipient, contractors and subcontractors:

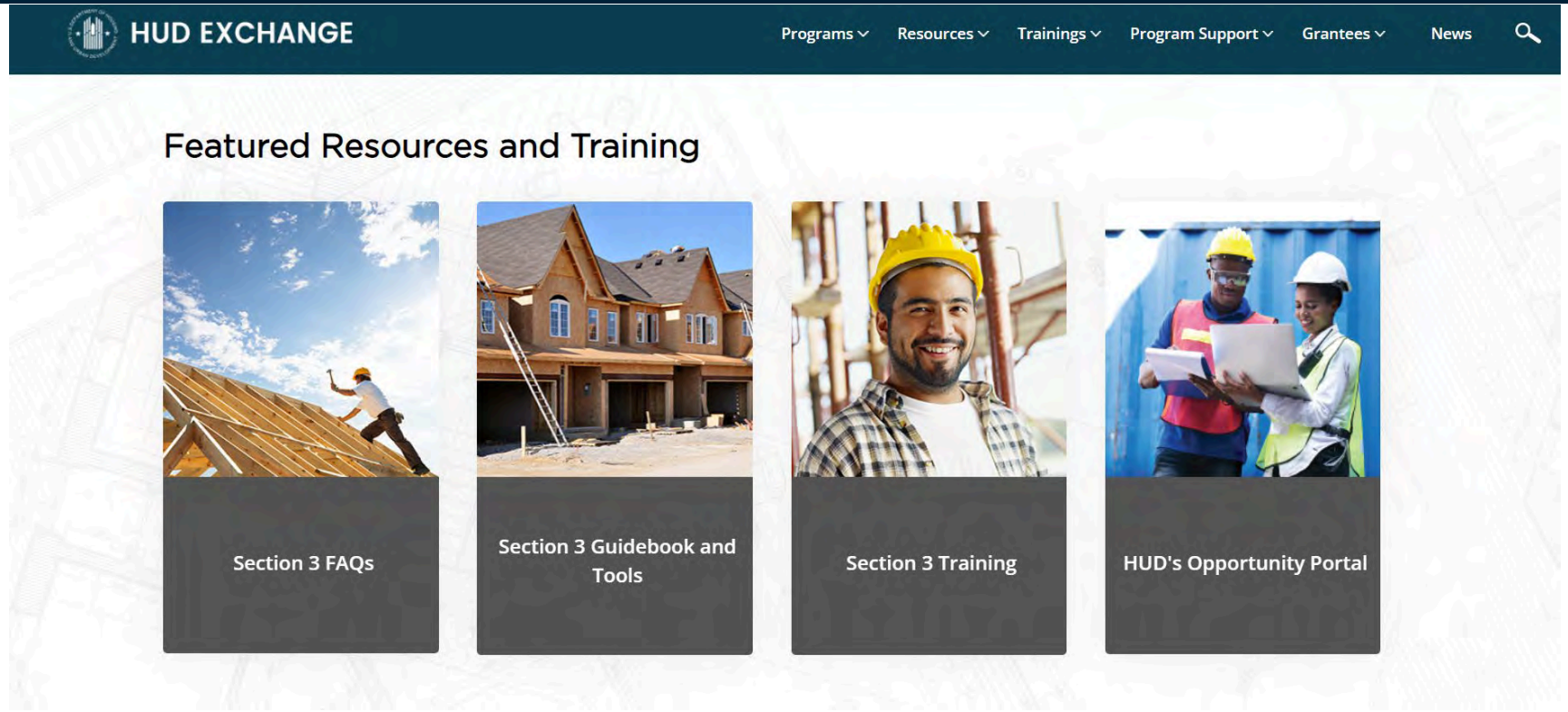
- Total # of hours worked in fiscal year
- Total # of labor hours worked per project.

Qualitative Reporting: Activities Examples



TIP: 75.15(b) includes a list of examples of qualitative reporting

Section 3 Resources



https://www.hudexchange.info/programs/section-3/

Resources

Quick Links

www.hud.gov/section3

https://www.hudexchange.info/programs/section-3/

CPD Notices

- 21-07 (HOME/HTF)
- 21-09 (OBGA)

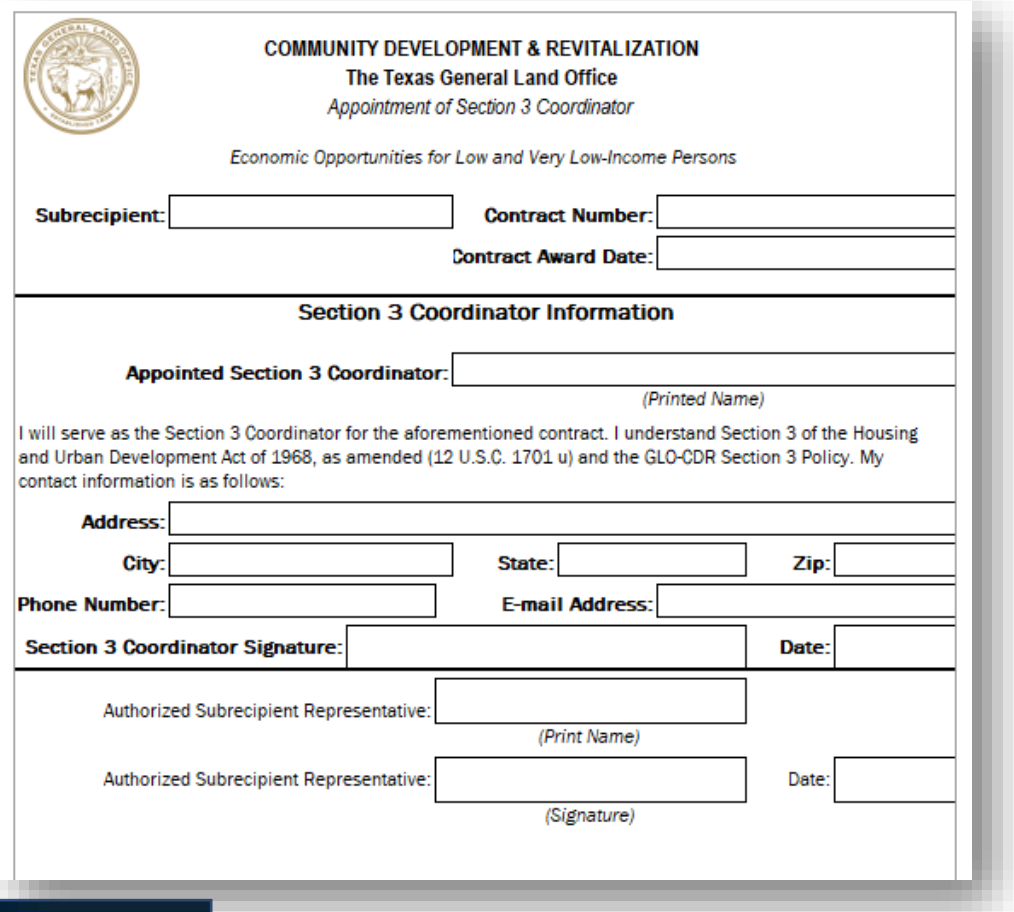
Trainings and Tools

- Searchable FAQs (HUD Exchange)
- Opportunity Portal & Business Registry Video Tutorial (HUD YouTube Channel)
- Section 3 IDIS Demo/Tutorial (HUD YouTube Channel
- Section 3 Final Rule Guidance for HOME/HTF Video (HUD Exchange)
- DRGR Reporting Section 3 Labor Hours Fact Sheet eGuidebook (forthcoming)

Sample Forms

- Appointment of Section 3 Coordinator
- Section 3 Plan
- Section 3 and Targeted Section 3 Worker Self-Certification
- Section 3 Business Concern Certification
- Section 3 Compliance Checklist
- Section 3 Closeout Form

Appointment of Section 3 Coordinator



COMMUNITY DEVELOPMENT & REVITALIZATION
The Texas General Land Office
Appointment of Section 3 Coordinator

Economic Opportunities for Low and Very Low-Income Persons

Subrecipient: **Contract Number:**
Contract Award Date:

Section 3 Coordinator Information

Appointed Section 3 Coordinator:
(Printed Name)

I will serve as the Section 3 Coordinator for the aforementioned contract. I understand Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701 u) and the GLO-CDR Section 3 Policy. My contact information is as follows:

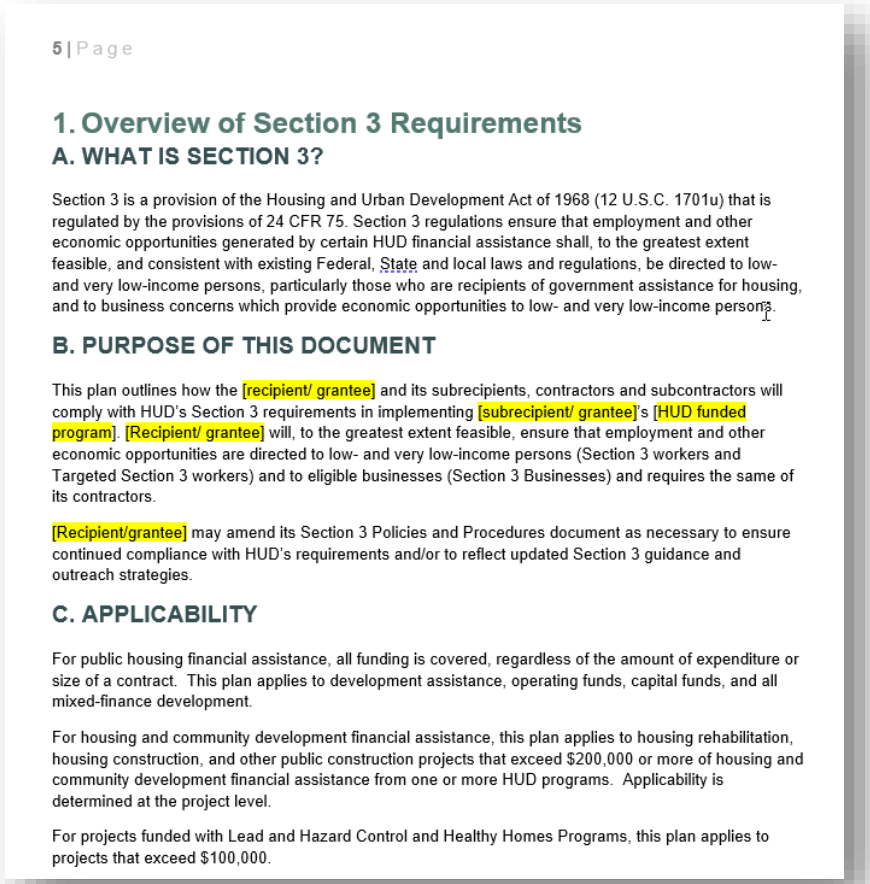
Address:
City: **State:** **Zip:**
Phone Number: **E-mail Address:**
Section 3 Coordinator Signature: **Date:**

Authorized Subrecipient Representative:
(Print Name)
Authorized Subrecipient Representative: Date:
(Signature)

* Optional Tool
No longer required. However, if subrecipient has one on file, they should update it with any changes to the Coordinator

Form can be found at: https://recovery.texas.gov/documents/grant-administration/grant-implementation/infrastructure-forms/s7-appointment-of-section-3-coordinator.xlsx

Example HUD Section 3 Plan



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1. Overview of Section 3 Requirements

A. WHAT IS SECTION 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) that is regulated by the provisions of 24 CFR 75. Section 3 regulations ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

B. PURPOSE OF THIS DOCUMENT

This plan outlines how the [recipient/ grantee] and its subrecipients, contractors and subcontractors will comply with HUD's Section 3 requirements in implementing [subrecipient/ grantee]'s [HUD funded program]. [Recipient/ grantee] will, to the greatest extent feasible, ensure that employment and other economic opportunities are directed to low- and very low-income persons (Section 3 workers and Targeted Section 3 workers) and to eligible businesses (Section 3 Businesses) and requires the same of its contractors.

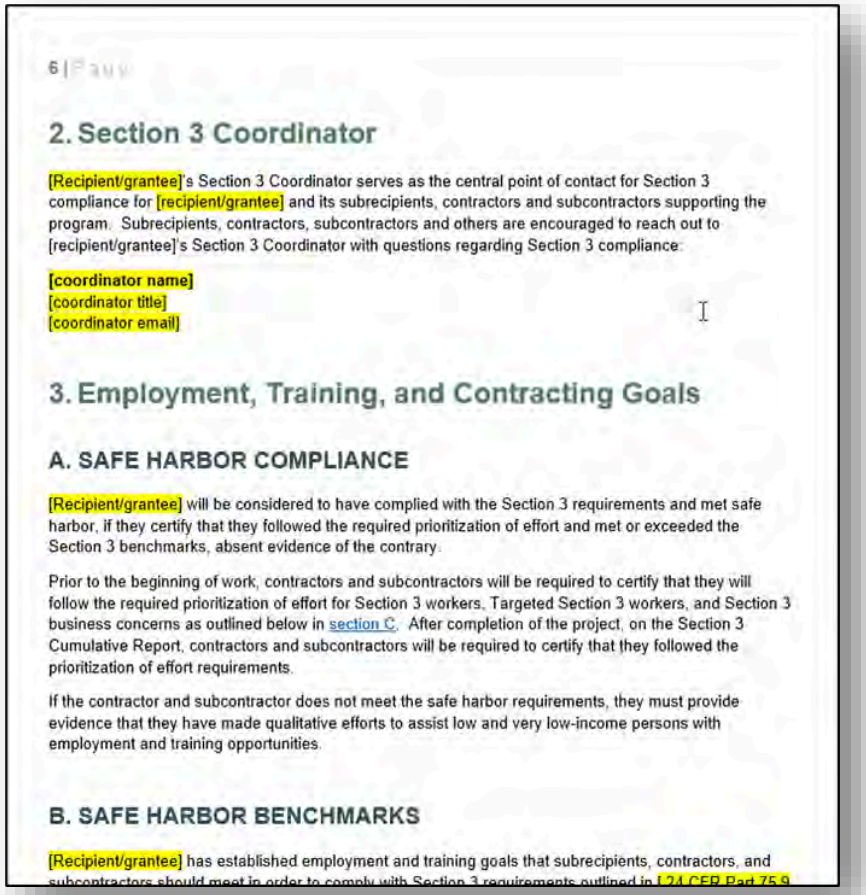
[Recipient/grantee] may amend its Section 3 Policies and Procedures document as necessary to ensure continued compliance with HUD's requirements and/or to reflect updated Section 3 guidance and outreach strategies.

C. APPLICABILITY

For public housing financial assistance, all funding is covered, regardless of the amount of expenditure or size of a contract. This plan applies to development assistance, operating funds, capital funds, and all mixed-finance development.

For housing and community development financial assistance, this plan applies to housing rehabilitation, housing construction, and other public construction projects that exceed $200,000 or more of housing and community development financial assistance from one or more HUD programs. Applicability is determined at the project level.

For projects funded with Lead and Hazard Control and Healthy Homes Programs, this plan applies to projects that exceed $100,000.



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2. Section 3 Coordinator

[Recipient/grantee]'s Section 3 Coordinator serves as the central point of contact for Section 3 compliance for [recipient/grantee] and its subrecipients, contractors and subcontractors supporting the program. Subrecipients, contractors, subcontractors and others are encouraged to reach out to [recipient/grantee]'s Section 3 Coordinator with questions regarding Section 3 compliance.

[coordinator name]
[coordinator title]
[coordinator email]

3. Employment, Training, and Contracting Goals

A. SAFE HARBOR COMPLIANCE

[Recipient/grantee] will be considered to have complied with the Section 3 requirements and met safe harbor, if they certify that they followed the required prioritization of effort and met or exceeded the Section 3 benchmarks, absent evidence of the contrary.

Prior to the beginning of work, contractors and subcontractors will be required to certify that they will follow the required prioritization of effort for Section 3 workers, Targeted Section 3 workers, and Section 3 business concerns as outlined below in section C. After completion of the project, on the Section 3 Cumulative Report, contractors and subcontractors will be required to certify that they followed the prioritization of effort requirements.

If the contractor and subcontractor does not meet the safe harbor requirements, they must provide evidence that they have made qualitative efforts to assist low and very low-income persons with employment and training opportunities.

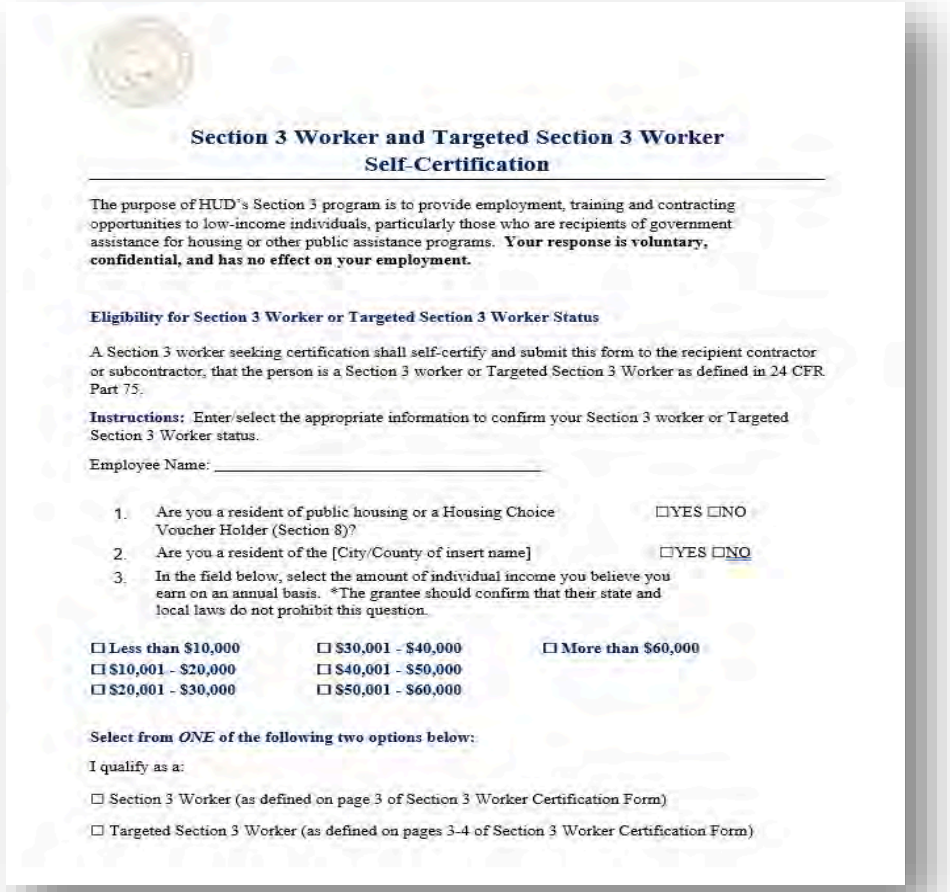
B. SAFE HARBOR BENCHMARKS

[Recipient/grantee] has established employment and training goals that subrecipients, contractors, and subcontractors should meet in order to comply with Section 3 requirements outlined in [24 CFR Part 75.9

* Optional Tool

Form can be found at: https://www.hudexchange.info/resource/6560/section-3-sample-plan/

GLO Section 3 Self-Certification Forms



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Instructions: Enter/select the appropriate information to confirm your Section 3 worker or Targeted Section 3 Worker status.

Employee Name: _____

1. Are you a resident of public housing or a Housing Choice Voucher Holder (Section 8)? ☐YES ☐NO
2. Are you a resident of the [City/County of insert name] ☐YES ☐NO
3. In the field below, select the amount of individual income you believe you earn on an annual basis. *The grantee should confirm that their state and local laws do not prohibit this question.

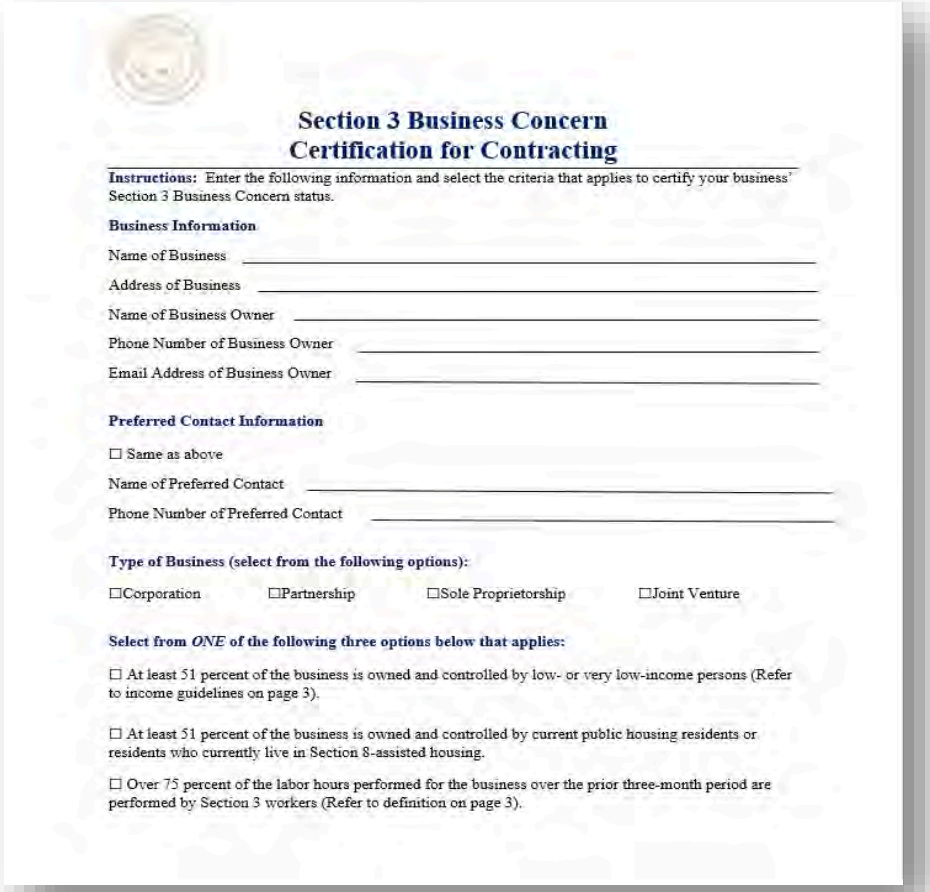
☐ **Less than $10,000** ☐ **$10,001 - $20,000** ☐ **$20,001 - $30,000** ☐ **$30,001 - $40,000** ☐ **$40,001 - $50,000** ☐ **$50,001 - $60,000** ☐ **More than $60,000**

Select from *ONE* of the following two options below:

I qualify as a:

☐ Section 3 Worker (as defined on page 3 of Section 3 Worker Certification Form)

☐ Targeted Section 3 Worker (as defined on pages 3-4 of Section 3 Worker Certification Form)



Section 3 Business Concern Certification for Contracting

Instructions: Enter the following information and select the criteria that applies to certify your business' Section 3 Business Concern status.

Business Information

Name of Business _____

Address of Business _____

Name of Business Owner _____

Phone Number of Business Owner _____

Email Address of Business Owner _____

Preferred Contact Information

☐ Same as above

Name of Preferred Contact _____

Phone Number of Preferred Contact _____

Type of Business (select from the following options):

☐Corporation ☐Partnership ☐Sole Proprietorship ☐Joint Venture

Select from *ONE* of the following three options below that applies:

☐ At least 51 percent of the business is owned and controlled by low- or very low-income persons (Refer to income guidelines on page 3).

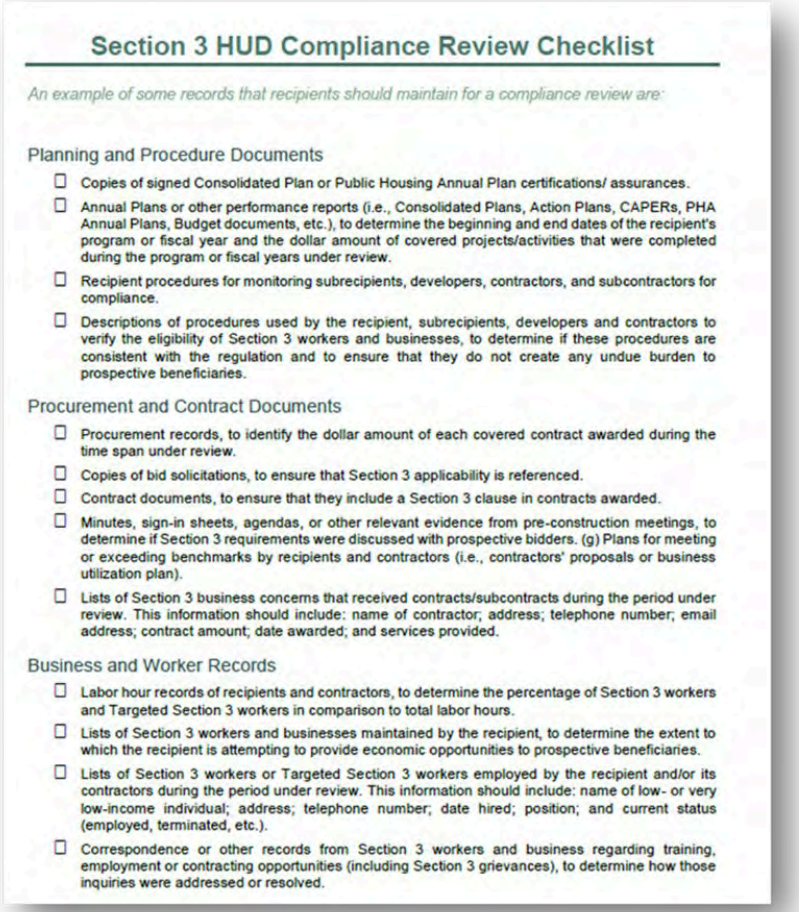
☐ At least 51 percent of the business is owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

☐ Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers (Refer to definition on page 3).

* Required to be maintained in the local file, unless otherwise requested

Email your GLO Grant Manager for a copy of the form

Section 3 Compliance Checklist



Section 3 HUD Compliance Review Checklist

An example of some records that recipients should maintain for a compliance review are:

Planning and Procedure Documents

- ☐ Copies of signed Consolidated Plan or Public Housing Annual Plan certifications/ assurances.
- ☐ Annual Plans or other performance reports (i.e., Consolidated Plans, Action Plans, CAPERs, PHA Annual Plans, Budget documents, etc.), to determine the beginning and end dates of the recipient's program or fiscal year and the dollar amount of covered projects/activities that were completed during the program or fiscal years under review.
- ☐ Recipient procedures for monitoring subrecipients, developers, contractors, and subcontractors for compliance.
- ☐ Descriptions of procedures used by the recipient, subrecipients, developers and contractors to verify the eligibility of Section 3 workers and businesses, to determine if these procedures are consistent with the regulation and to ensure that they do not create any undue burden to prospective beneficiaries.

Procurement and Contract Documents

- ☐ Procurement records, to identify the dollar amount of each covered contract awarded during the time span under review.
- ☐ Copies of bid solicitations, to ensure that Section 3 applicability is referenced.
- ☐ Contract documents, to ensure that they include a Section 3 clause in contracts awarded.
- ☐ Minutes, sign-in sheets, agendas, or other relevant evidence from pre-construction meetings, to determine if Section 3 requirements were discussed with prospective bidders. (g) Plans for meeting or exceeding benchmarks by recipients and contractors (i.e., contractors' proposals or business utilization plan).
- ☐ Lists of Section 3 business concerns that received contracts/subcontracts during the period under review. This information should include: name of contractor; address; telephone number; email address; contract amount; date awarded; and services provided.

Business and Worker Records

- ☐ Labor hour records of recipients and contractors, to determine the percentage of Section 3 workers and Targeted Section 3 workers in comparison to total labor hours.
- ☐ Lists of Section 3 workers and businesses maintained by the recipient, to determine the extent to which the recipient is attempting to provide economic opportunities to prospective beneficiaries.
- ☐ Lists of Section 3 workers or Targeted Section 3 workers employed by the recipient and/or its contractors during the period under review. This information should include: name of low- or very low-income individual; address; telephone number; date hired; position; and current status (employed, terminated, etc.).
- ☐ Correspondence or other records from Section 3 workers and business regarding training, employment or contracting opportunities (including Section 3 grievances), to determine how those inquiries were addressed or resolved.

* Optional Tool

Form can be found at:

https://www.hudexchange.info/resource/6559/section-3-hud-compliance-review-checklist/

Section 3 Closeout Form

Section 3

Project Closeout

Subrecipient:

GLO Contract Number:

Date:

As of this date, this contract has entered the closeout process. Because construction is complete, no further Section 3 activity will occur since no more contracts or funds will be processed. If you wish to avoid being required to submit Section 3 reports while awaiting the final contract closeout, you may fill out this form and return it to the GLO. Should you choose not to submit this form, you will be required to continue to submit Section 3 reports until the contract is fully closed out by the GLO.

By checking each of the following statements, you certify that they are true for this project.

☐ Construction is fully completed on this project

☐ The Certificate of Occupancy has been issued for the entire project (not just individual buildings)

☐ No additional hires will be made for this project since it is complete

☐ No additional contracts will be issued for this project since it is complete

☐ A final Section 3 report is attached (or has been submitted electronically) for this project (for infrastructure projects only – not required for multi-family)

X

Signed By

* Optional Tool

Email your GLO Grant Manager for a copy of the form

Section 3 Reporting for Harvey

Reporting Requirements for the Texas General Land Office (GLO)

Subrecipients are required to maintain documentation for covered contracts and must submit Section 3 Reports on Section 3 compliance efforts for new hires and contracts awarded.

The report must detail any impediments to Section 3 compliance and resulting actions to address them.

The following items are required to be reported to show Section 3 Compliance:

Employment and Training	Construction	Non-Construction
1. Job Category 2. Number of new hires 3. Number of new hires that are Section 3 Residents 4. Percentage of Aggregate number of staff hours of new hires that are Section 3 Residents 5. Percentage of Total Staff Hours for Section 3 Employees and Trainees, Number of Section 3 Trainees	1. Total CDBGDR dollars of all contracts awarded on the project 2. Total CDBG-DR dollars of contracts awarded to Section 3 businesses 3. Percentage of the total dollars awarded to Section 3 businesses 4. Total number of Section 3 businesses receiving contracts	1. Total CDBG-DR dollars of all non-construction contracts awarded on the project 2. Total CDBG-DR dollars of non- construction contracts awarded to Section 3 businesses 3. Percentage of the total dollar amount awarded to Section 3 businesses 4. Total number of Section 3 businesses receiving non-construction contracts

Reporting Requirements for the Texas General Land Office (GLO) – Cont.

All Section 3 Reports are due quarterly following the Federal Government fiscal year beginning September 1.

Due Dates – Quarterly Reports:

Quarter 1 – (Sept–Nov) – DUE: ***December10th***
Quarter 2 – (Dec-Feb – DUE: ***March 10th***
Quarter 3 – (Mar-May) – DUE: ***June 10th***
Quarter 4 – (Jun-Aug) – DUE: ***Sept 10th***

Due Date – Annual Reports:

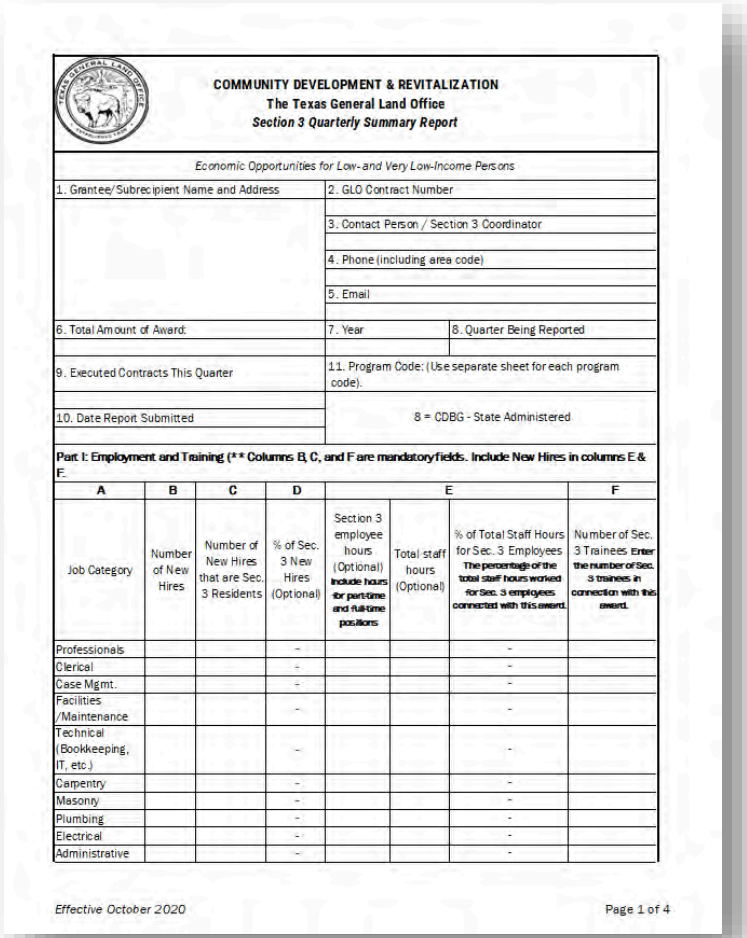
September 30th

Reports are submitted by:

- Harvey and 15/16 are submitted via Email to the GLO Grant Manager (GM)
- Mitigation are entered directly into TIGR by Subrecipient

Section 3 Quarterly and Annual reports and all backup documentation are also required to be maintained in chronological order in the local file

Section 3 Reporting via Email – Quarterly Reports



COMMUNITY DEVELOPMENT & REVITALIZATION
The Texas General Land Office
Section 3 Quarterly Summary Report

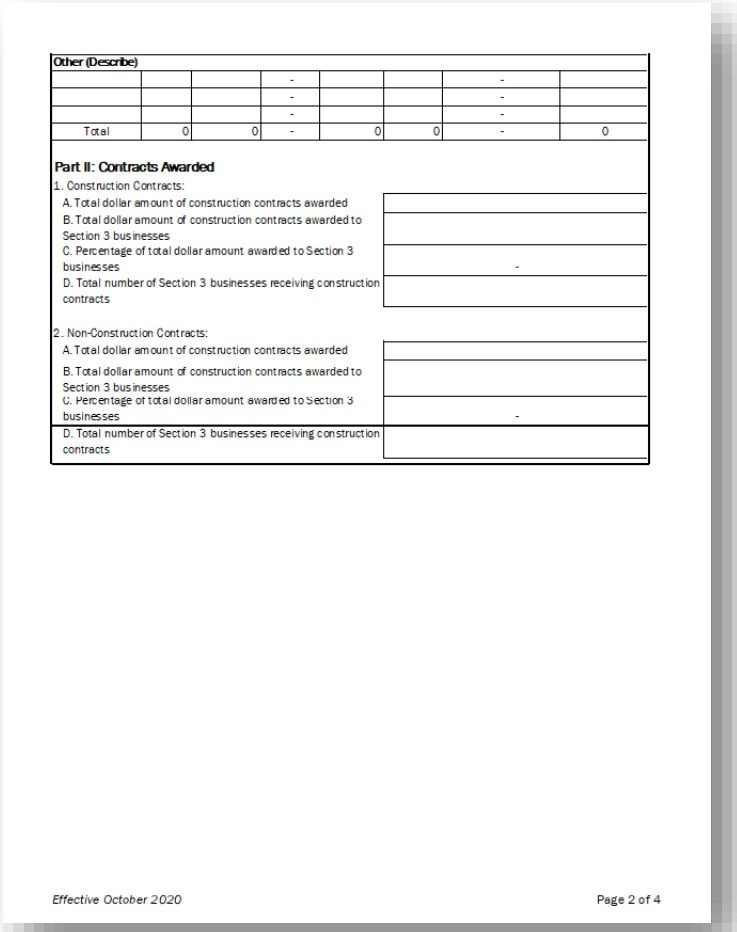
Economic Opportunities for Low-and Very Low-Income Persons

1. Grantee/Subrecipient Name and Address	2. GLO Contract Number	
	3. Contact Person / Section 3 Coordinator	
	4. Phone (including area code)	
	5. Email	
6. Total Amount of Award:	7. Year	8. Quarter Being Reported
9. Executed Contracts This Quarter	11. Program Code: (Use separate sheet for each program code).	
10. Date Report Submitted	8 = CDBG - State Administered	

Part I: Employment and Training (Columns B, C, and F are mandatory fields. Include New Hires in columns E & F.**

A	B	C	D	E			F
Job Category	Number of New Hires	Number of New Hires that are Sec. 3 Residents	% of Sec. 3 New Hires (Optional)	Section 3 employee hours (Optional) Include hours for part-time and full-time positions	Total staff hours (Optional)	% of Total Staff Hours for Sec. 3 Employees The percentage of the total staff hours worked for Sec. 3 employees connected with this award.	Number of Sec. 3 Trainees Enter the number of Sec. 3 trainees in connection with this award.
Professionals			-			-	
Clerical			-			-	
Case Mgmt.			-			-	
Facilities /Maintenance			-			-	
Technical (Bookkeeping, IT, etc.)			-			-	
Carpentry			-			-	
Masonry			-			-	
Plumbing			-			-	
Electrical			-			-	
Administrative			-			-	

Effective October 2020 Page 1 of 4



Other (Describe)							
			-			-	
			-			-	
			-			-	
Total	0	0	-	0	0	-	0

Part II: Contracts Awarded

1. Construction Contracts:	
A. Total dollar amount of construction contracts awarded	
B. Total dollar amount of construction contracts awarded to Section 3 businesses	
C. Percentage of total dollar amount awarded to Section 3 businesses	-
D. Total number of Section 3 businesses receiving construction contracts	

2. Non-Construction Contracts:	
A. Total dollar amount of construction contracts awarded	
B. Total dollar amount of construction contracts awarded to Section 3 businesses	
C. Percentage of total dollar amount awarded to Section 3 businesses	-
D. Total number of Section 3 businesses receiving construction contracts	

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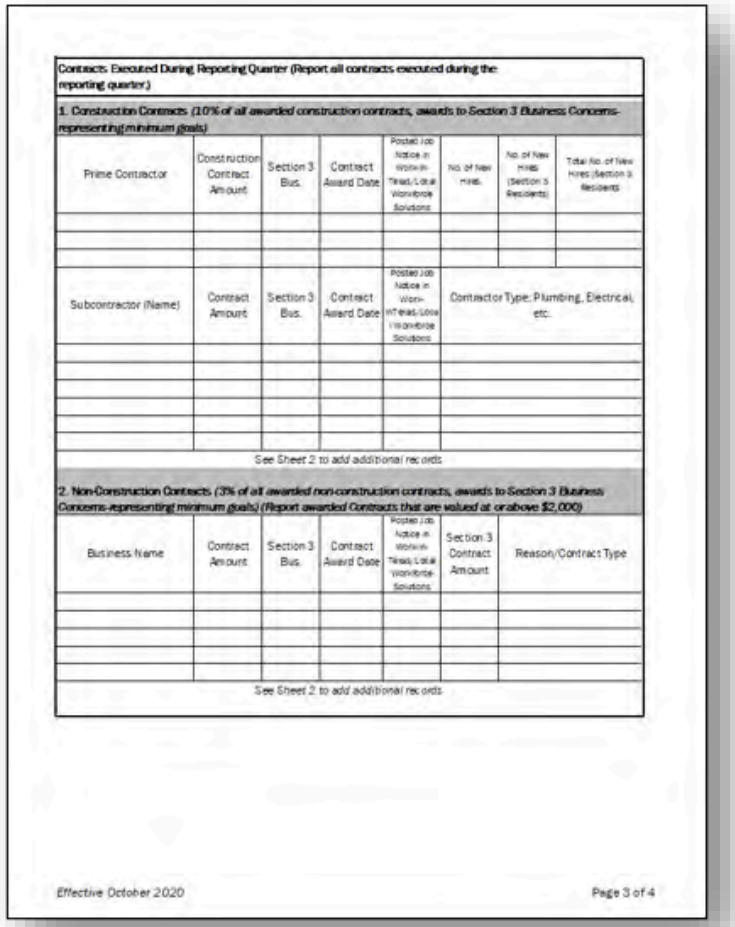
Form can be found at: https://recovery.texas.gov/documents/grant-administration/grant-implementation/infrastructure-forms/s3-section-3-quarterly-report.xlsx

Section 3 Reporting via Email – Quarterly Reports - Cont



Contracts Executed During Reporting Quarter (Report all contracts executed during the reporting quarter.)

1. Construction Contracts *(10% of all awarded construction contracts, awards to Section 3 Business Concerns-representing minimum goals)*

Prime Contractor	Construction Contract Amount	Section 3 Bus.	Contract Award Date	Posted Job Notice in Work-in-Texas/Local Workforce Solutions	No. of New Hires	No. of New Hires (Section 3 Residents)	Total No. of New Hires (Section 3 Residents

Subcontractor (Name)	Contract Amount	Section 3 Bus.	Contract Award Date	Posted Job Notice in Work-in-Texas/Local Workforce Solutions	Contractor Type: Plumbing, Electrical, etc.

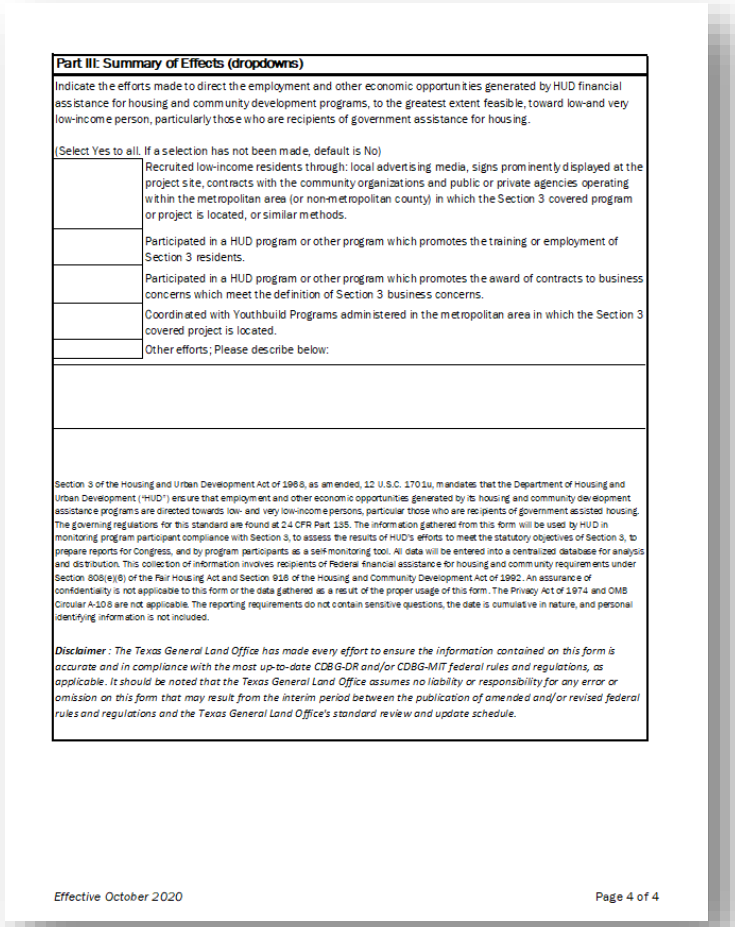
See Sheet 2 to add additional records

2. Non-Construction Contracts *(3% of all awarded non-construction contracts, awards to Section 3 Business Concerns-representing minimum goals) (Report awarded Contracts that are valued at or above $2,000)*

Business Name	Contract Amount	Section 3 Bus.	Contract Award Date	Posted Job Notice in Work-in-Texas/Local Workforce Solutions	Section 3 Contract Amount	Reason/Contract Type

See Sheet 2 to add additional records

Effective October 2020 Page 3 of 4



Part III: Summary of Effects (dropdowns)

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low-and very low-income person, particularly those who are recipients of government assistance for housing.

(Select Yes to all. If a selection has not been made, default is No)

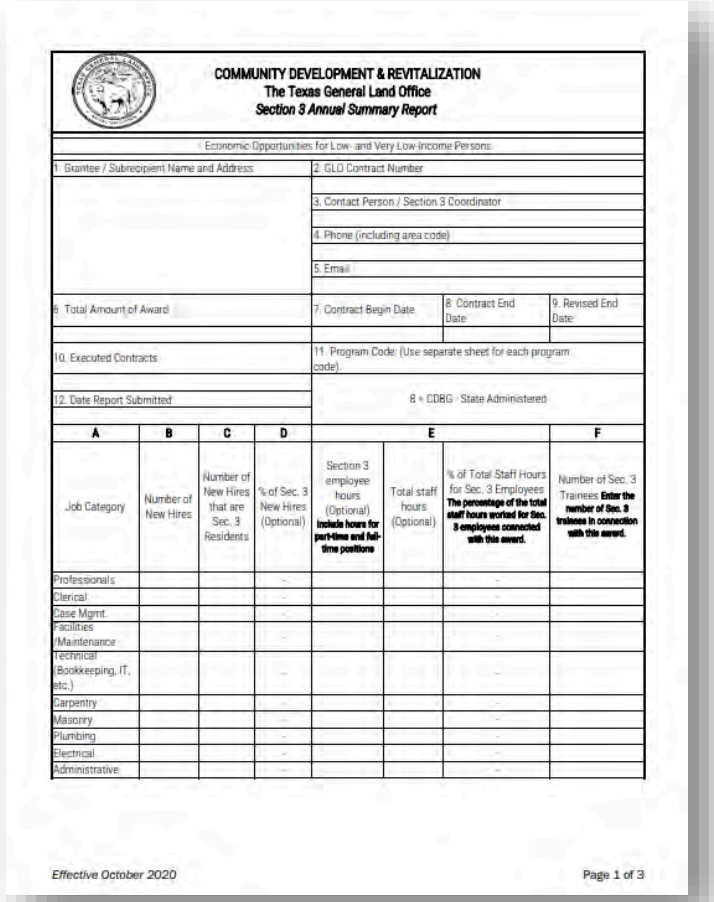
	Recruited low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or non-metropolitan county) in which the Section 3 covered program or project 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 efforts; Please describe below:

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department of Housing and Urban Development ("HUD") ensure that employment and other economic opportunities generated by its housing and community development assistance programs are directed towards low- and very low-income persons, particular those who are recipients of government assisted housing. The governing regulations for this standard are found at 24 CFR Part 135. The information gathered from this form will be used by HUD in monitoring program participant compliance with Section 3, to assess the results of HUD's efforts to meet the statutory objectives of Section 3, to prepare reports for Congress, and by program participants as a self-monitoring tool. All data will be entered into a centralized database for analysis and distribution. This collection of information involves recipients of Federal financial assistance for housing and community requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the Housing and Community Development Act of 1992. An assurance of confidentiality is not applicable to this form or the data gathered as a result of the proper usage of this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions, the date is cumulative in nature, and personal identifying information is not included.

***Disclaimer** : The Texas General Land Office has made every effort to ensure the information contained on this form is accurate and in compliance with the most up-to-date CDBG-DR and/or CDBG-MIT federal rules and regulations, as applicable. It should be noted that the Texas General Land Office assumes no liability or responsibility for any error or omission on this form that may result from the interim period between the publication of amended and/or revised federal rules and regulations and the Texas General Land Office's standard review and update schedule.*

Effective October 2020 Page 4 of 4

Section 3 Reporting via Email – Annual Reports



COMMUNITY DEVELOPMENT & REVITALIZATION
The Texas General Land Office
Section 3 Annual Summary Report

Economic Opportunities for Low- and Very Low-Income Persons

1. Grantee / Subrecipient Name and Address		2. GLO Contract Number	
		3. Contact Person / Section 3 Coordinator	
		4. Phone (including area code)	
		5. Email	
6. Total Amount of Award		7. Contract Begin Date	8. Contract End Date / 9. Revised End Date
10. Executed Contracts		11. Program Code: (Use separate sheet for each program code)	
12. Date Report Submitted		8 = CDBG - State Administered	

A	B	C	D	E			F
Job Category	Number of New Hires	Number of New Hires that are Sec. 3 Residents	% of Sec. 3 New Hires (Optional)	Section 3 employee hours (Optional) **Include hours for part-time and full-time positions**	Total staff hours (Optional)	% of Total Staff Hours for Sec. 3 Employees **The percentage of the total staff hours worked for Sec. 3 employees connected with this award.**	Number of Sec. 3 Trainees **Enter the number of Sec. 3 trainees in connection with this award.**
Professionals							
Clerical							
Case Mgmt.							
Facilities /Maintenance							
Technical (Bookkeeping, IT, etc.)							
Carpentry							
Masonry							
Plumbing							
Electrical							
Administrative							

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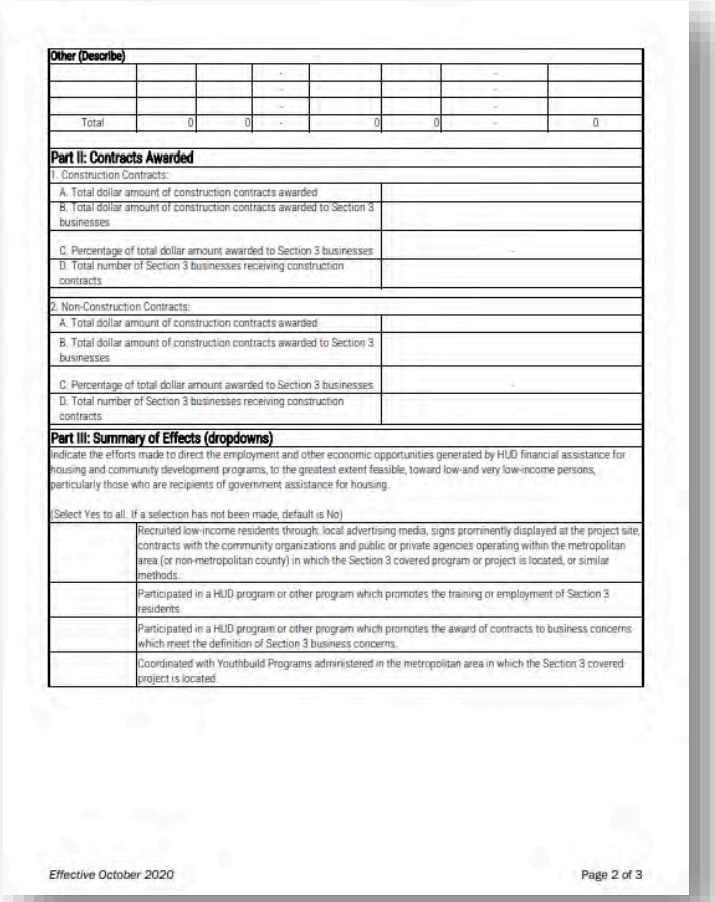

Other (Describe)							
Total	0	0	-	0	0	-	0

Part II: Contracts Awarded

1. Construction Contracts:	
A. Total dollar amount of construction contracts awarded	
B. Total dollar amount of construction contracts awarded to Section 3 businesses	
C. Percentage of total dollar amount awarded to Section 3 businesses	
D. Total number of Section 3 businesses receiving construction contracts	
2. Non-Construction Contracts:	
A. Total dollar amount of construction contracts awarded	
B. Total dollar amount of construction contracts awarded to Section 3 businesses	
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Part III: Summary of Effects (dropdowns)

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low-and very low-income persons, particularly those who are recipients of government assistance for housing.

(Select Yes to all. If a selection has not been made, default is No)

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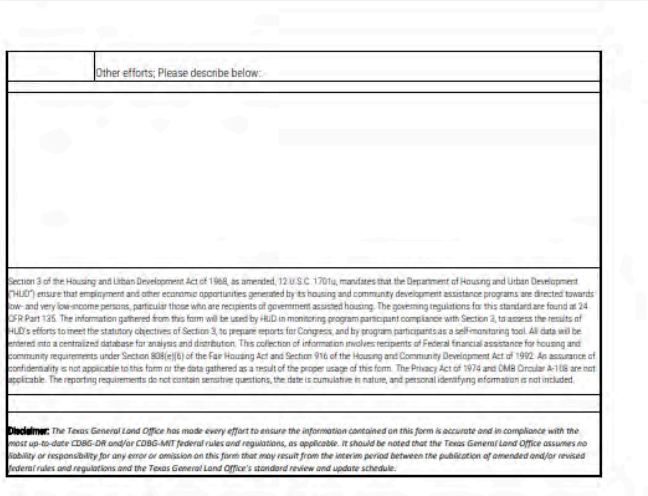
	Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
	Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
	Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.

Effective October 2020 Page 2 of 3



	Other efforts; Please describe below:

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department of Housing and Urban Development ("HUD") ensure that employment and other economic opportunities generated by its housing and community development assistance programs are directed towards low- and very low-income persons, particular those who are recipients of government assisted housing. The governing regulations for this standard are found at 24 CFR Part 135. The information gathered from this form will be used by HUD in monitoring program participant compliance with Section 3, to assess the results of HUD's efforts to meet the statutory objectives of Section 3, to prepare reports for Congress, and by program participants as a self-monitoring tool. All data will be entered into a centralized database for analysis and distribution. This collection of information involves recipients of Federal financial assistance for housing and community requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the Housing and Community Development Act of 1992. An assurance of confidentiality is not applicable to this form or the data gathered as a result of the proper usage of this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions, the date is cumulative in nature, and personal identifying information is not included.

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Form can be found at: https://recovery.texas.gov/documents/grant-administration/grant-implementation/infrastructure-forms/s7-section-3-annual-summary-report.xlsx

Inputting Section 3 Reports in TIGR: Mitigation Only

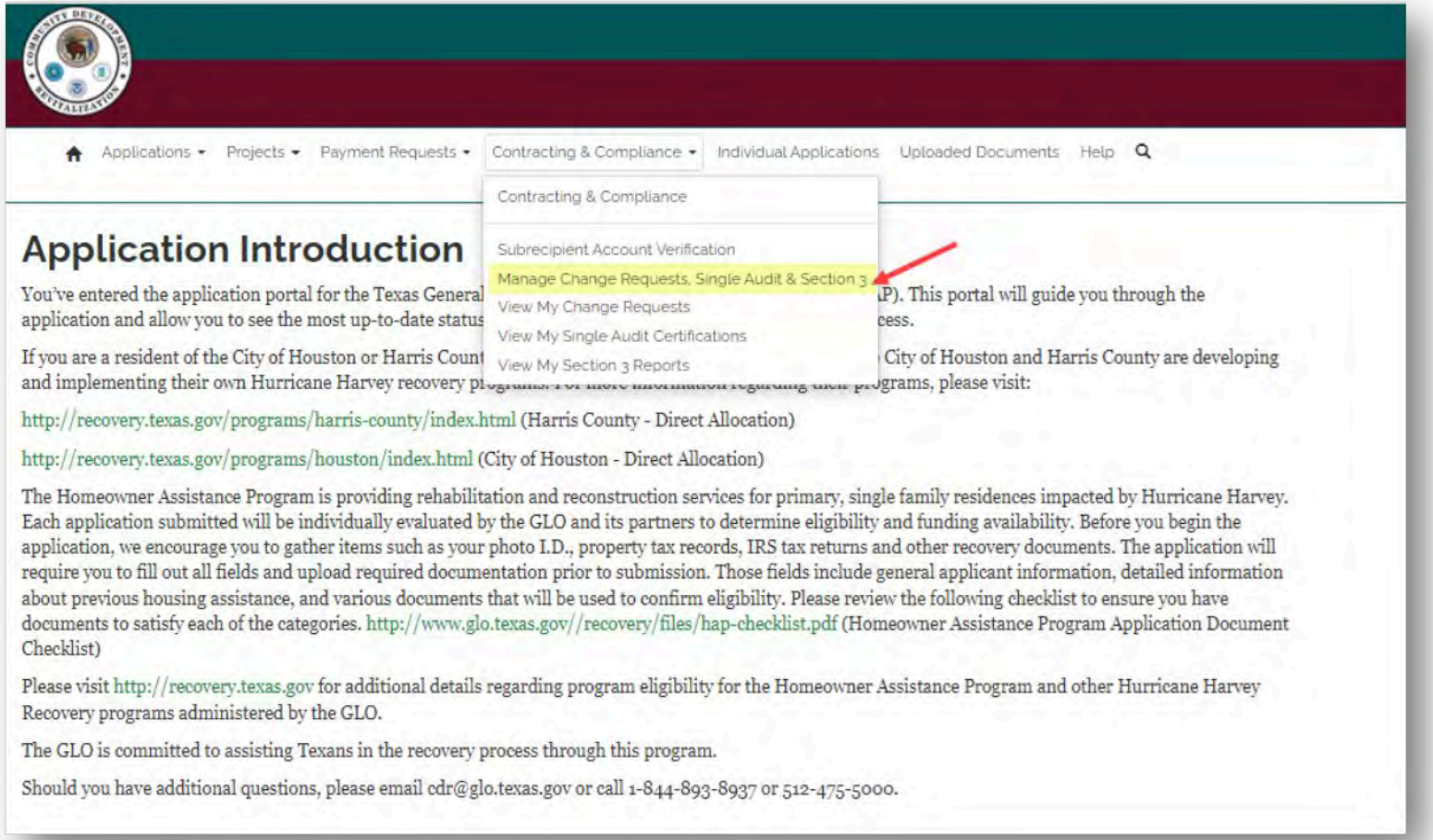
TEXAS GENERAL LAND OFFICE

COMMUNITY DEVELOPMENT AND REVITALIZATION

Section 3 Reporting in TIGR

From the *Contracting & Compliance* top level navigation tab,

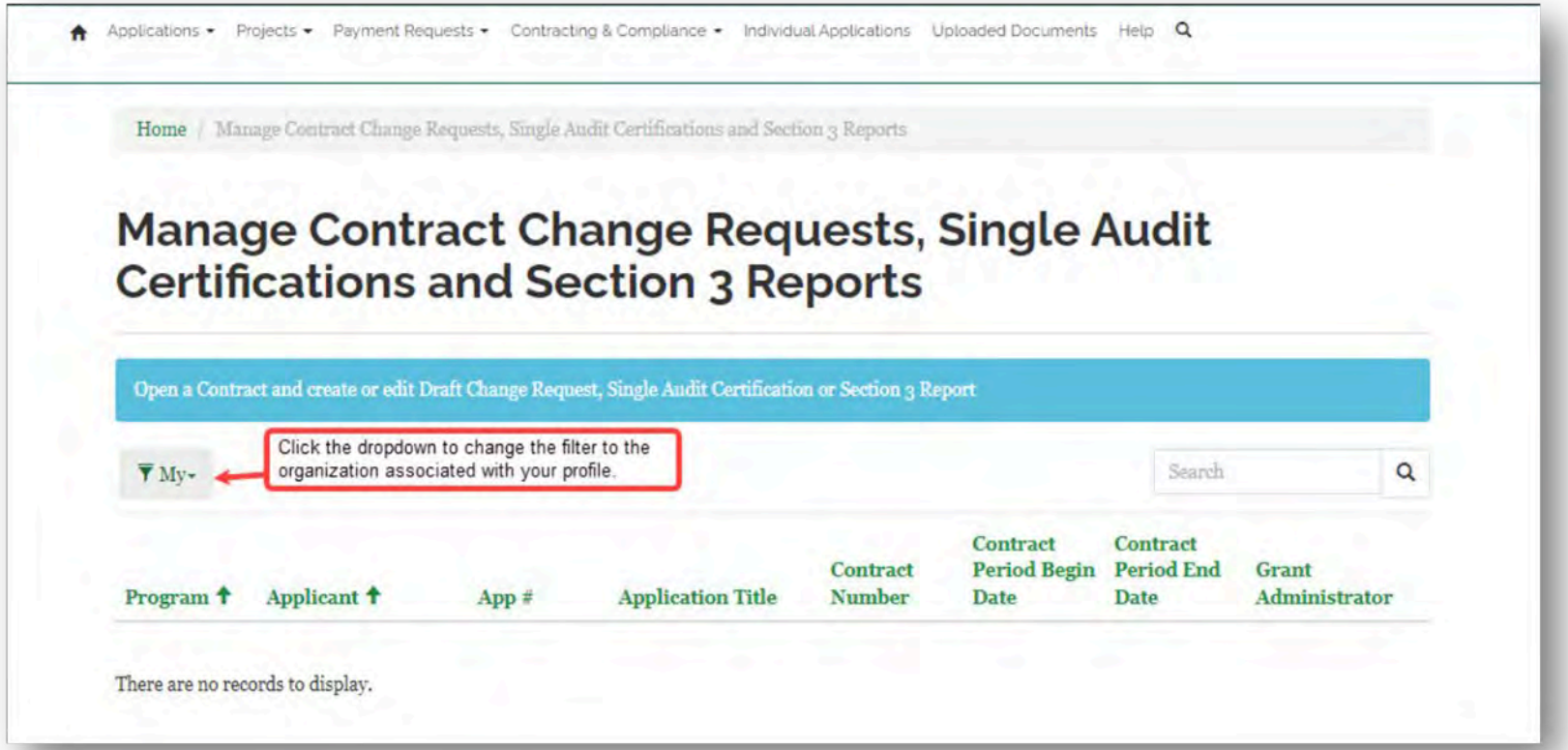
select *Manage and Change Requests, Single Audit & Section 3.*



Section 3 Reporting in TIGR – Continued

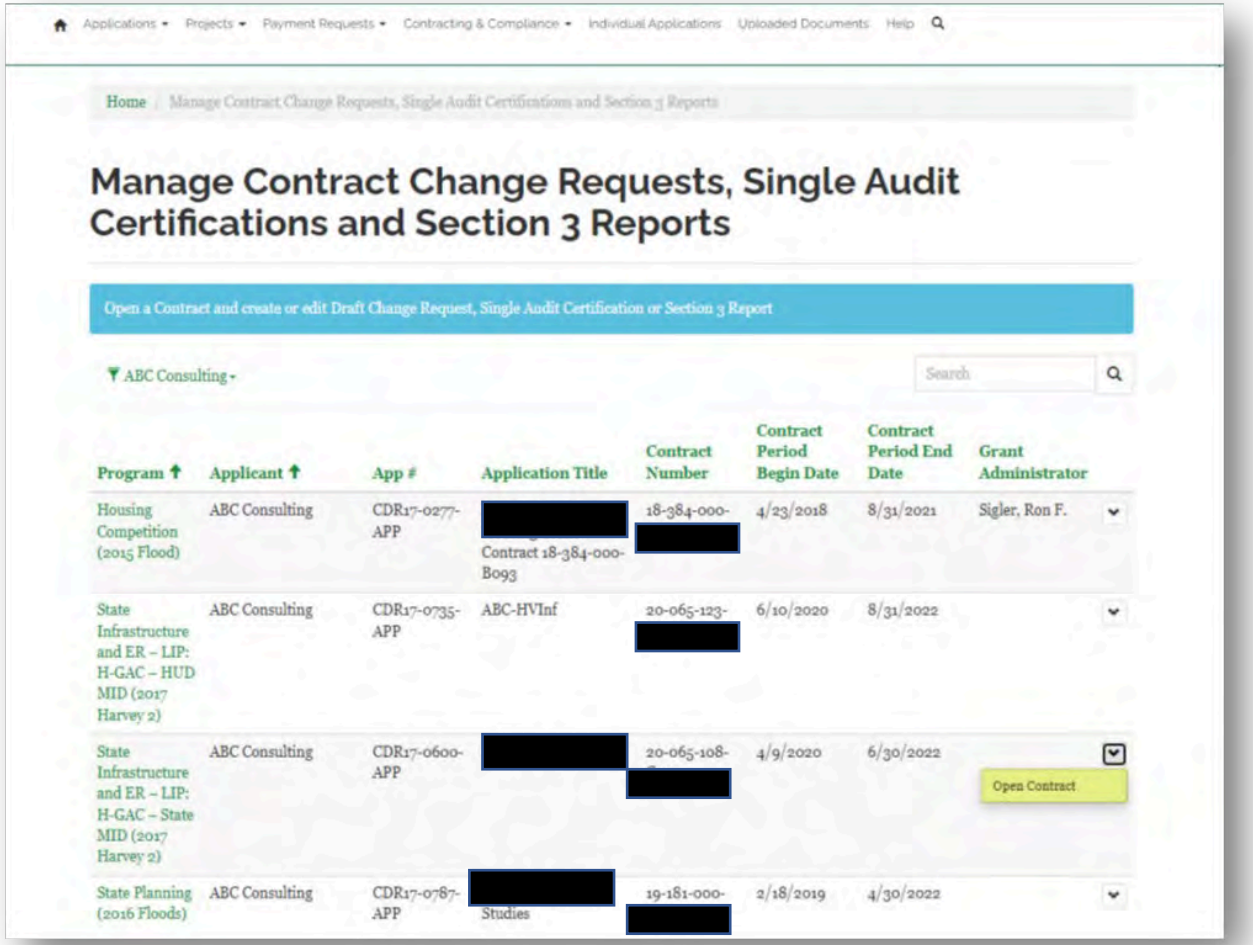
The *Manage Contract Change Requests, Single Audit Certifications, and Section 3 Reports* page is displayed.

Click the dropdown to view contracts for the organization associated with your profile.



Section 3 Reporting in TIGR – Continued

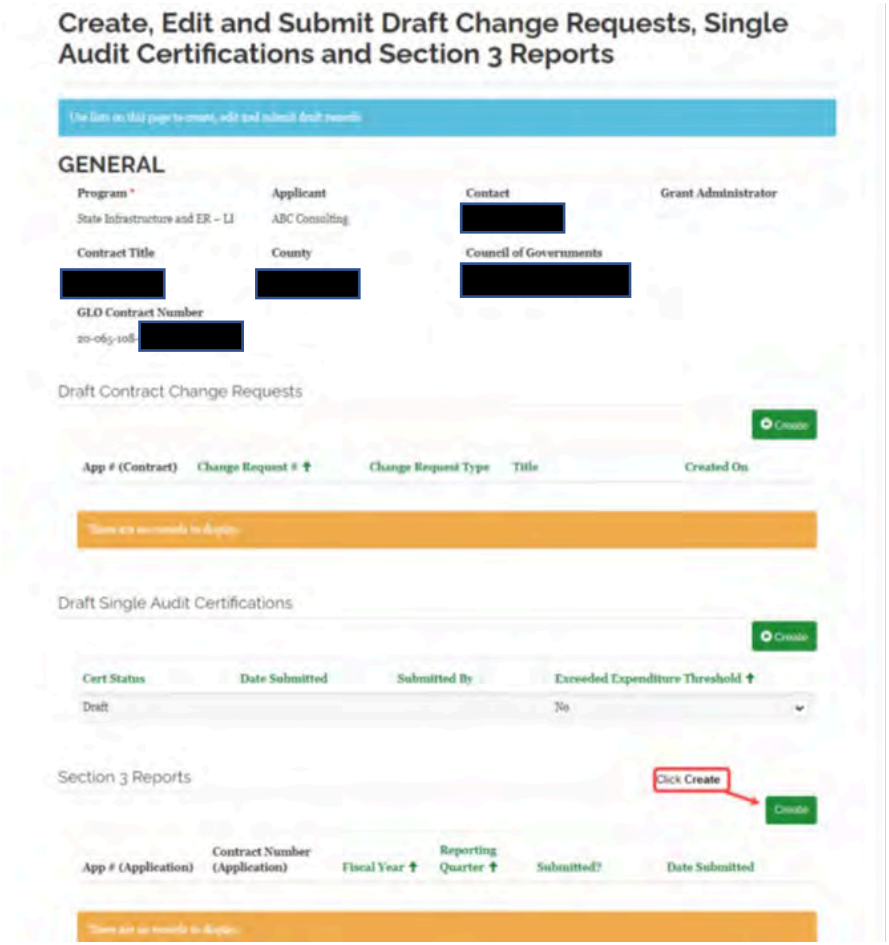
Click the dropdown to *Open Contract:*



Section 3 Reporting in TIGR – Continued

The *Create, Edit and Submit Draft Change Requests, Single Audit Certifications and Section 3 Reports* page is displayed.

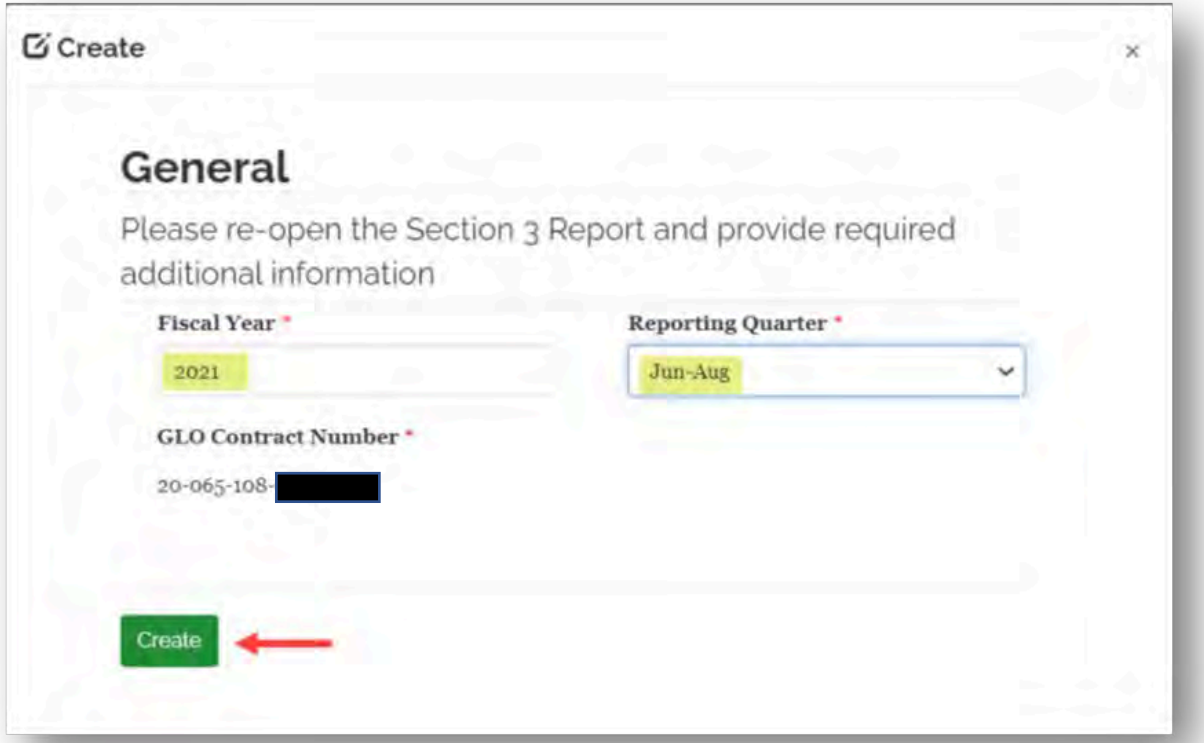
In the *Section 3 Reports* area of the page, click *Create.*



Section 3 Reporting in TIGR – Continued

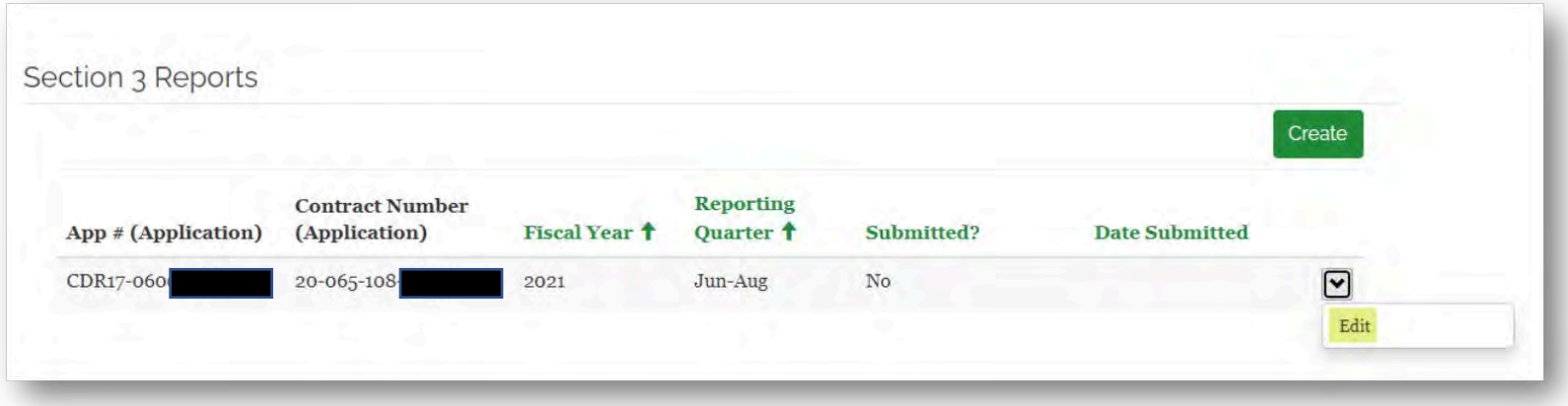
The Create pop up is displayed.

Enter the *Fiscal Year* and select the *Reporting Quarter.*



Section 3 Reporting in TIGR – Continued

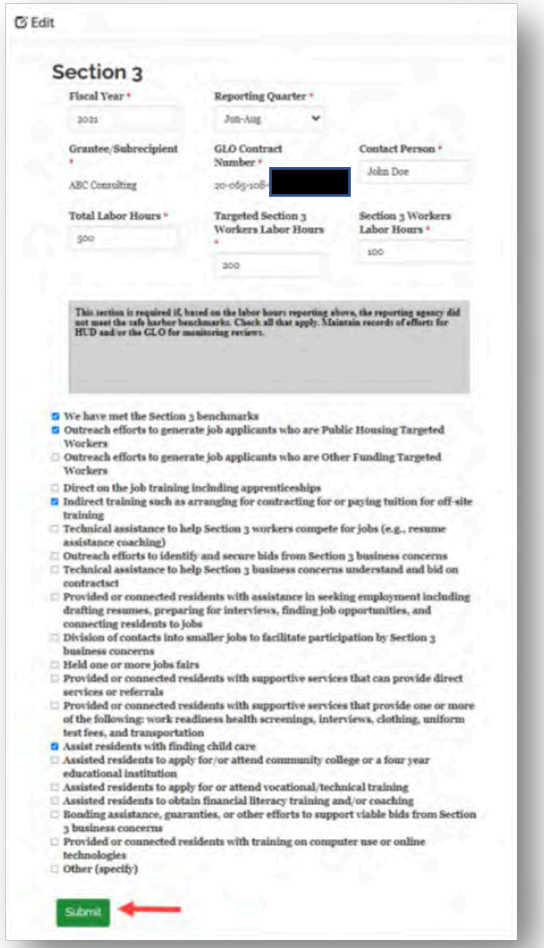
The Section 3 record is displayed in the table. Click *Edit.*



Section 3 Reporting in TIGR – Continued

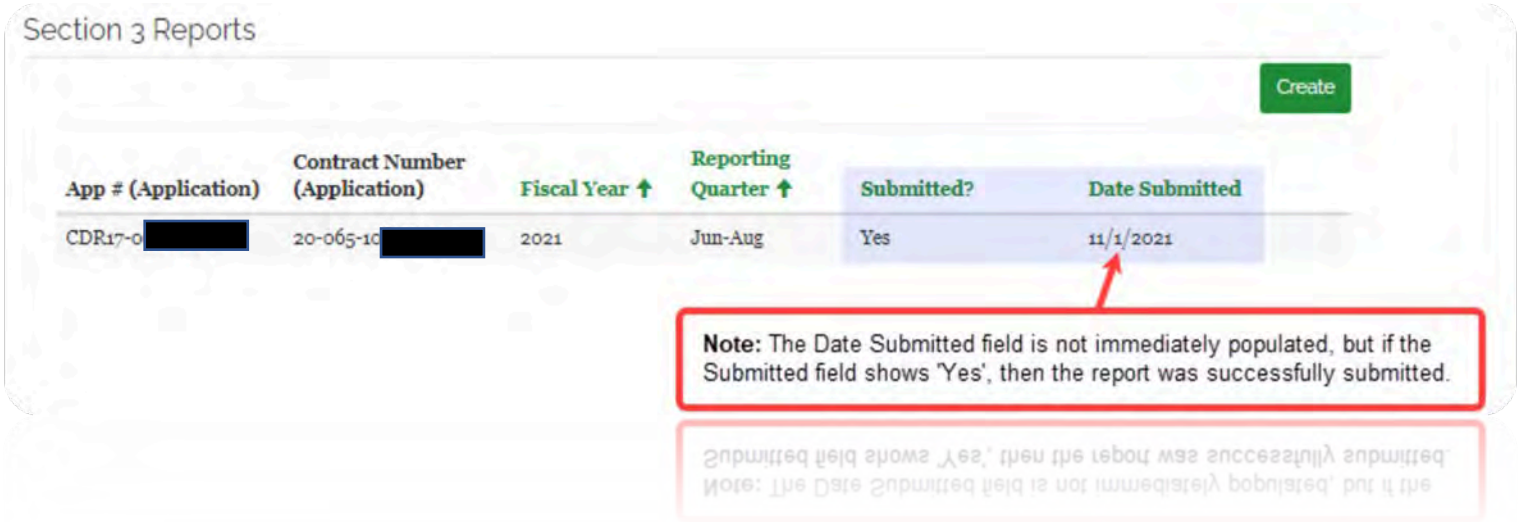
The Section 3 record is displayed.

Complete the form and click *Submit.*

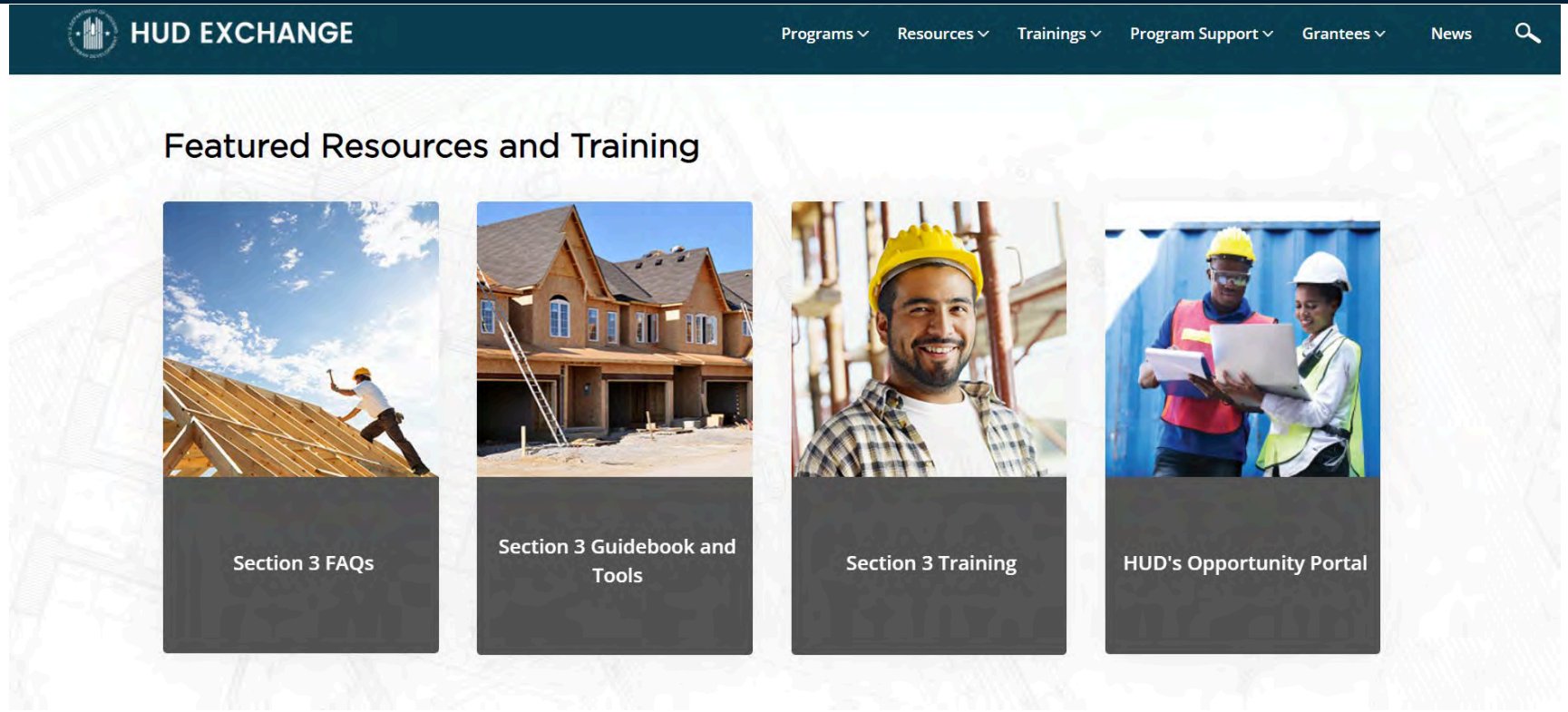


Section 3 Reporting in TIGR – Continued

The popup closes and the system is updated to show that the Section 3 report is submitted.



Section 3 Resources



https://www.hudexchange.info/programs/section-3/

QUESTIONS?

1-844-893-8937

cdr@recovery.texas.gov

Texas General Land Office

@glotx

@txglo

TEXAS GENERAL LAND OFFICE

COMMUNITY DEVELOPMENT AND REVITALIZATION

Texas General Land Office

Community Development and Revitalization