

INSTRUCTIONS FOR COMPLETING THE SECTION 3 REPORTING TAB

Section 3 is triggered anytime construction starts, and reporting must cover only projects that are or were under construction during the reporting period regardless of when contracts were actually awarded. All CDBG Recipients (CDBG, CDBG-R, NSP1, EIP and RD) must submit a report. If there are no Section 3 accomplishments, indicate 0 persons hired.

This form is to be used to report accomplishments regarding employment, training, and contracting opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968.* The Section 3 regulations apply to **recipients of housing and community development assistance in excess of \$200,000** and to all **contracts and subcontracts in excess of \$100,000** awarded in connection with Section 3 covered activities.

The Report is accessed through the web based Quarterly Report System, Section 3 Tab, and one report must be completed or updated every reporting period for every CDBG, CDBG-R and NSP1, EIP and RD grant. Grantees 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 to create economic opportunities.

Below is a web link to additional HUD information regarding Section 3, including definitions for “[Section 3 Resident](#)” and “[Section 3 Business](#)”:
<http://www.hud.gov/offices/fheo/section3/Sec3-Reporting-Guidance-cpd-finaL-1.31.pdf>

Detailed Form Instructions:

Part I: Employment and Training Record

Column A: List every job created, by job category. Professionals are defined as people who have special knowledge of an occupation (e.g., 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.

Column B: Enter the number of new hires for each category of worker identified in **Column A** in connection with this award. New hire refers to a person who was not on the award recipient’s or contractor’s payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of a Section 3 covered contract.

Column C: Enter the number of Section 3 new hires for each category of worker identified in **Column A** in connection with this award. A Section 3 new hire refers to a Section 3 resident who was not on the recipient’s or contractor’s payroll for employment at the time of selection for the Section 3 covered award or at the time of receipt of a Section 3 covered contract.

Column D: Enter the percentage of all new hires that are Section 3 residents in connection with this award, i.e., column C divided by column B.

Column E: Enter the percentage of the total staff hours worked by new Section 3 employees and trainees connected with this award. Include staff hours for part-time and full-time positions. Enter the percentage as a whole number. For example, if 20% of the hours are worked by new Section 3 employees, enter “20” rather than “.20”.

Column F: Enter the number of Section 3 residents that were trained in connection with this award.

Column G: Enter the construction start date for the contract that created the new hires.

Column H: Enter the name of the business or local government that created the jobs.

Column I: Is this a Section 3 business?

Column K: Enter the Fiscal Year for the report (e.g., if the reporting period ends on June 30, 2010, the fiscal year is 2010). All reporting periods are 12 months and end on June 30.

Part II: Summary of Efforts

Check any box that applies. Also use this section for any comments or clarification.

* *Low-income persons* mean families (including single persons) whose incomes do not exceed 80 percent of the median income for the area (CDBG low- to moderate-income standard). *Very low-income persons* mean low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income for the area (CDBG low income standard).