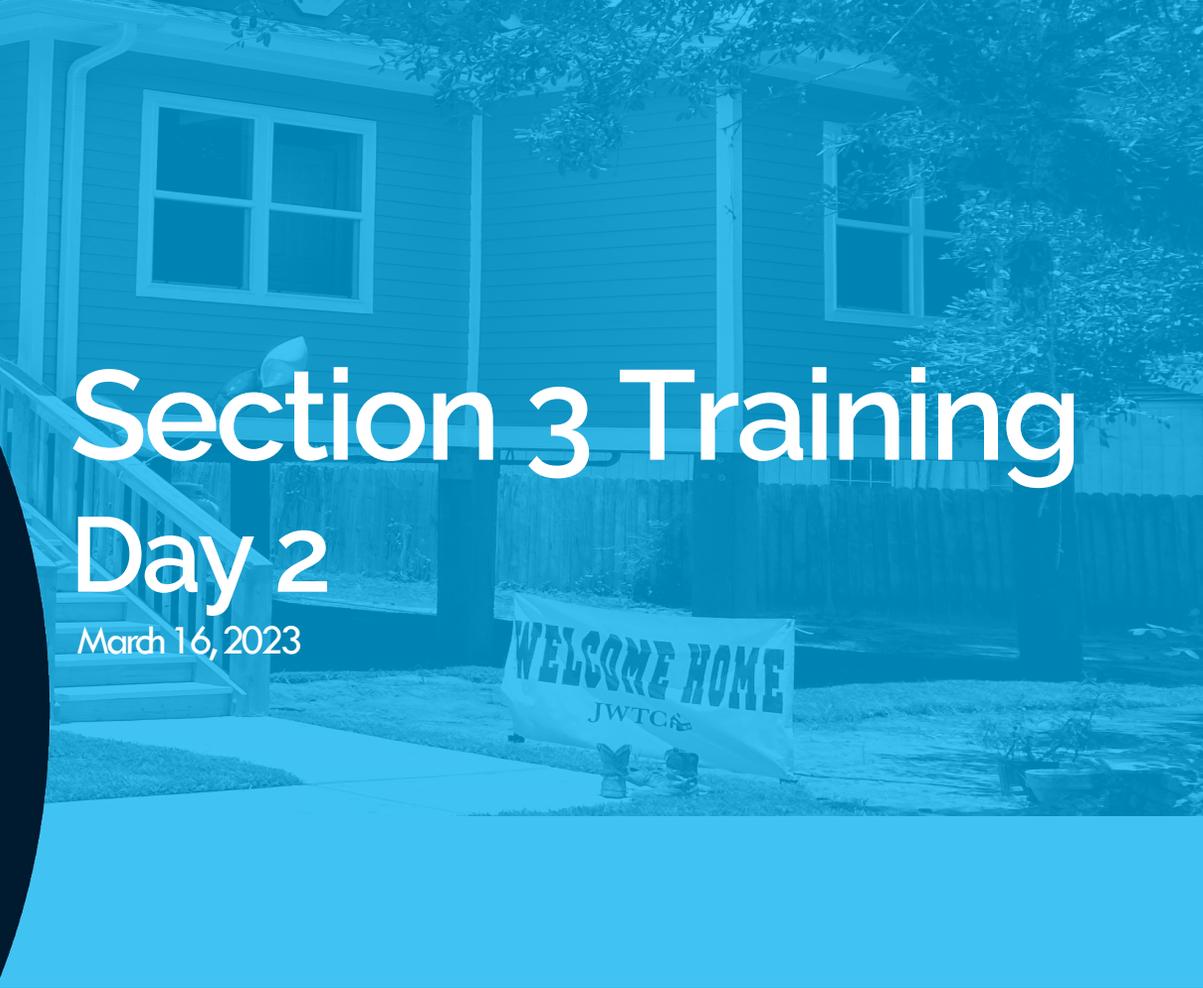




# Section 3 Training Day 2

March 16, 2023



TEXAS GENERAL  
LAND OFFICE

---

community development & revitalization

# PRESENTERS



Les Warner

Senior Technical Specialist

| ICF

[Les.Warner@ICF.com](mailto:Les.Warner@ICF.com)



Kristen Supik

Section 3 Specialist

| GLO

[kristen.supik.glo@recovery.texas.gov](mailto:kristen.supik.glo@recovery.texas.gov)

# 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

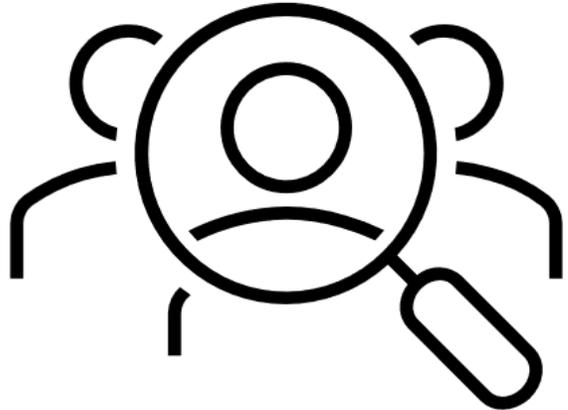
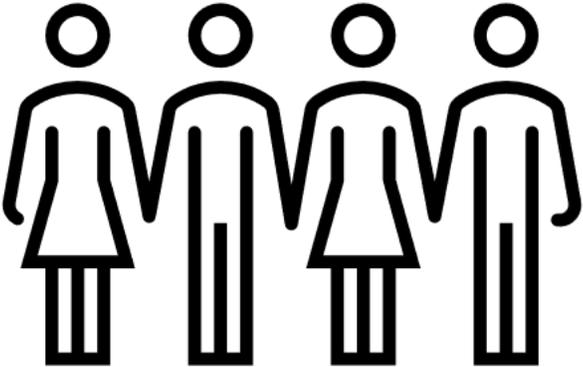
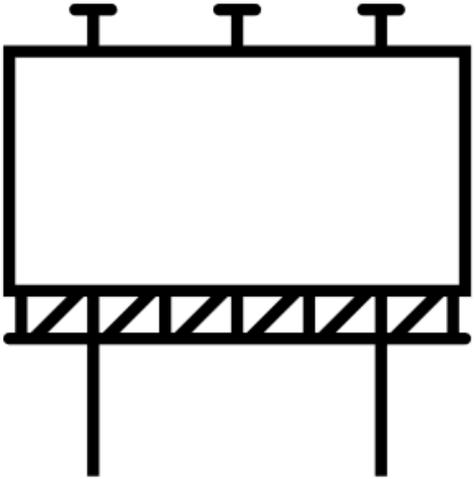


- Policy Statement/Purpose
- Section 3 Applicability
- Section 3 Goals/Safe Harbor Benchmarks
- Recipient and Contractor Responsibilities
- Prioritization and Eligibility Requirements for Workers and Business
- Section 3 Certification Procedures for Workers and Businesses
- Reporting Deadlines
- Complaint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

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Less than \$10,000  | <input type="checkbox"/> \$30,001 - \$40,000 | <input type="checkbox"/> More than \$60,000 |
| <input type="checkbox"/> \$10,001 - \$20,000 | <input type="checkbox"/> \$40,001 - \$50,000 |   |
| <input type="checkbox"/> \$20,001 - \$30,000 | <input type="checkbox"/> \$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

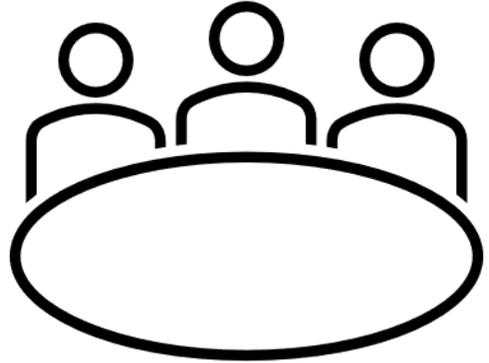
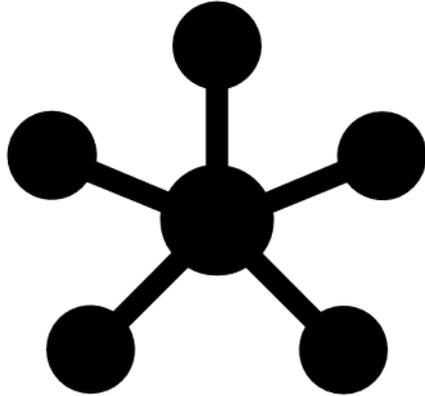
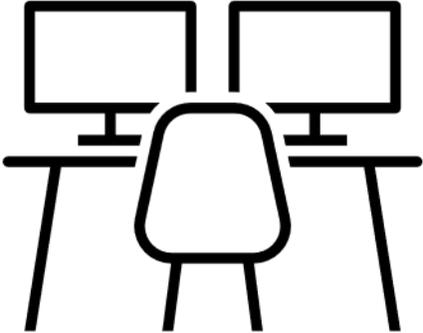


Use the Tool





# 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, one 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





# Best Practices for Contracting with Eligible Businesses

Process & Policies



Coordination & Communication





# *Module 3: Program Oversight*

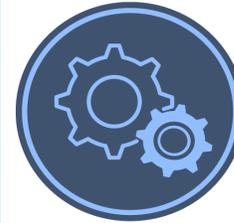




# Module 3: Program Oversight



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

Develop criteria to determine frequency of monitoring and criteria for conducting onsite and offsite monitoring



## Examples of Criteria

Number of complaints	Evidence or indication of potential noncompliance based upon reported data	Contractor's need for technical assistance	Projects or activities that have a generous amount of funding
----------------------	--	--	---





# 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:

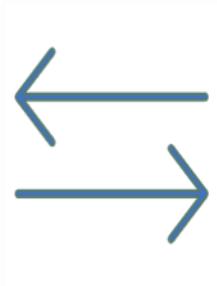
- Total labor hours worked on project.
- Section 3 labor hours worked on project.
- Targeted Section 3 labor hours worked.





# Preparing for a Compliance Review

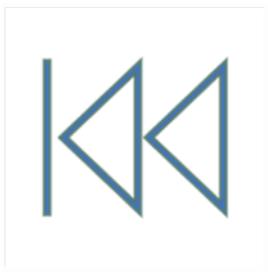
HUD may conduct a compliance review of a recipient agency.



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?



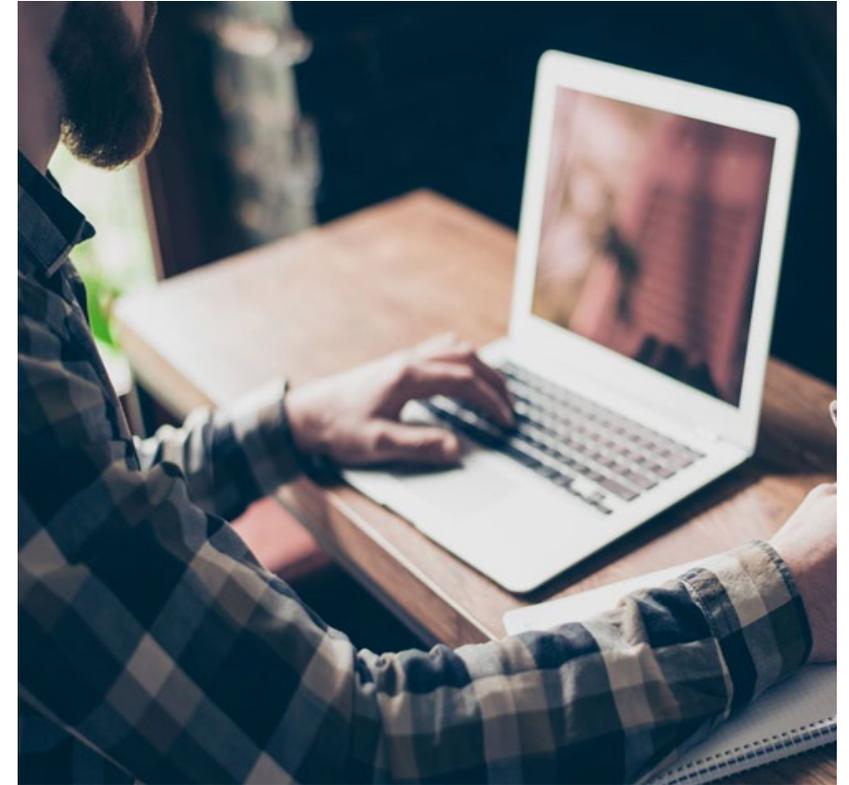
# What Are We Reporting On?

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.

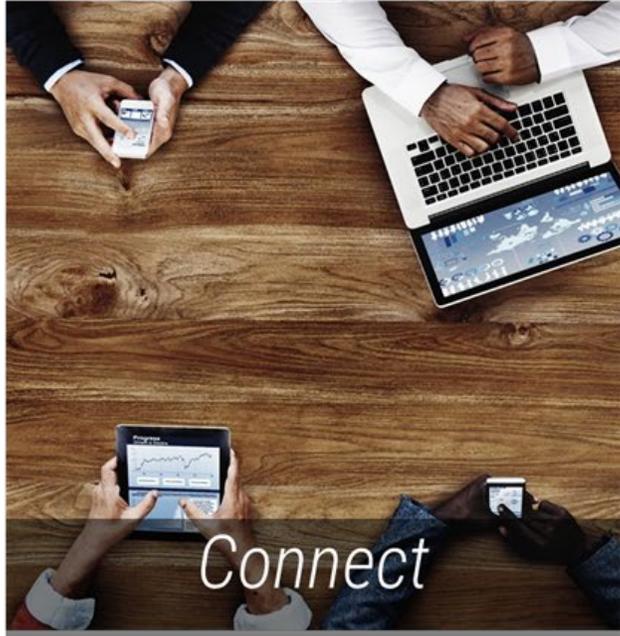
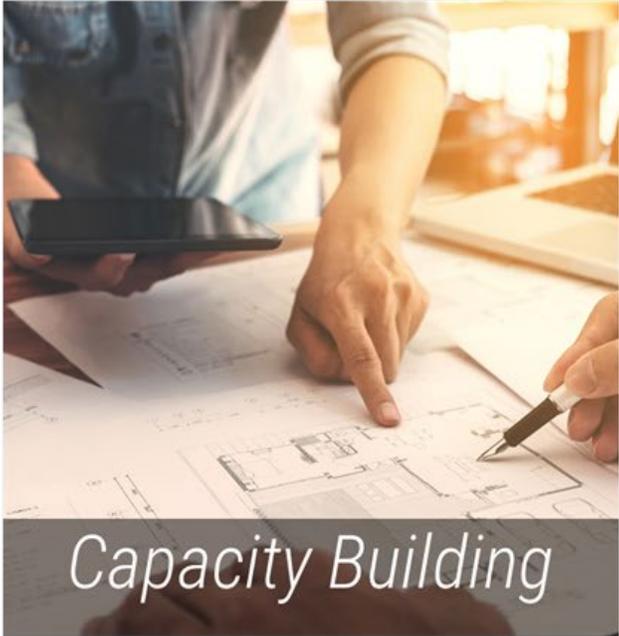
Labor hours must include those worked by any subrecipient, contractors and subcontractors:

- 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



HUD EXCHANGE

Programs ▾

Resources ▾

Trainings ▾

Program Support ▾

Grantees ▾

News



## Featured Resources and Training



Section 3 FAQs



Section 3 Guidebook and Tools



Section 3 Training



HUD's Opportunity Portal

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

# Resources

## Quick Links

[www.hud.gov/section3](http://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

5 | Page

## 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.

6 | Page

## 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]

I

## 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



## 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.

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Less than \$10,000  | <input type="checkbox"/> \$30,001 - \$40,000 | <input type="checkbox"/> More than \$60,000 |
| <input type="checkbox"/> \$10,001 - \$20,000 | <input type="checkbox"/> \$40,001 - \$50,000 |   |
| <input type="checkbox"/> \$20,001 - \$30,000 | <input type="checkbox"/> \$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)



## 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
<ol style="list-style-type: none"><li>1. Job Category</li><li>2. Number of new hires</li><li>3. Number of new hires that are Section 3 Residents</li><li>4. Percentage of Aggregate number of staff hours of new hires that are Section 3 Residents</li><li>5. Percentage of Total Staff Hours for Section 3 Employees and Trainees, Number of Section 3 Trainees</li></ol>	<ol style="list-style-type: none"><li>1. Total CDBGDR dollars of all contracts awarded on the project</li><li>2. Total CDBG-DR dollars of contracts awarded to Section 3 businesses</li><li>3. Percentage of the total dollars awarded to Section 3 businesses</li><li>4. Total number of Section 3 businesses receiving contracts</li></ol>	<ol style="list-style-type: none"><li>1. Total CDBG-DR dollars of all non-construction contracts awarded on the project</li><li>2. Total CDBG-DR dollars of non- construction contracts awarded to Section 3 businesses</li><li>3. Percentage of the total dollar amount awarded to Section 3 businesses</li><li>4. Total number of Section 3 businesses receiving non-construction contracts</li></ol>



# 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: **December 10<sup>th</sup>**

Quarter 2 – (Dec-Feb) – DUE: **March 10<sup>th</sup>**

Quarter 3 – (Mar-May) – DUE: **June 10<sup>th</sup>**

Quarter 4 – (Jun-Aug) – DUE: **Sept 10<sup>th</sup>**

## Due Date – Annual Reports:

**September 30<sup>th</sup>**

## 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) <small>Include hours for part-time and full-time positions</small>	Total staff hours (Optional)	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

<b>Other (Describe)</b>						
			-		-	
			-		-	
			-		-	
Total	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	

Effective October 2020

Page 2 of 4

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 – 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)  
8 = CDBG - State Administered

12. Date Report Submitted

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) <i>Include hours for part-time and full-time positions</i>	Total staff hours (Optional)	% of Total Staff Hours for Sec. 3 Employees <i>The percentage of the total staff hours worked for Sec. 3 employees connected with this award.</i>	Number of Sec. 3 Trainees <i>Enter the number of Sec. 3 trainees in connection with this award.</i>
Professionals							
Clerical							
Case Mgmt.							
Facilities /Maintenance							
Technical (Bookkeeping, IT, etc.)							
Carpentry							
Masonry							
Plumbing							
Electrical							
Administrative							

Effective October 2020

Page 1 of 3

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

**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)

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.	

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 programs are directed towards low- and very low-income persons, particularly 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 806(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.

Form can be found at:

<https://recovery.texas.gov/documents/grant-administration/grant-implementation/infrastructure-forms/s7-section-3-annual-summary-report.xlsx>



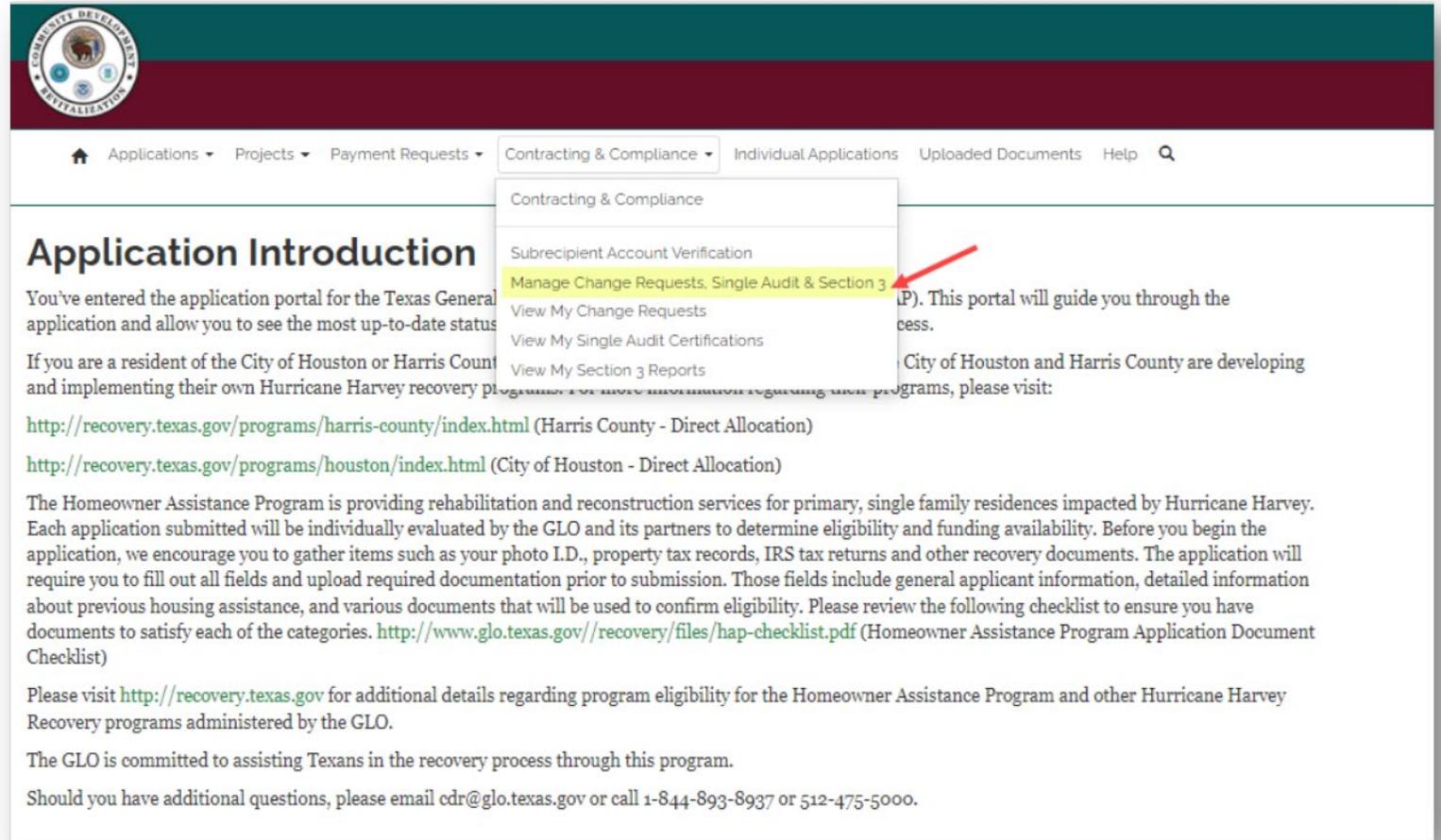
# Inputting Section 3 Reports in TIGR: Mitigation Only



# Section 3 Reporting in TIGR

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

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

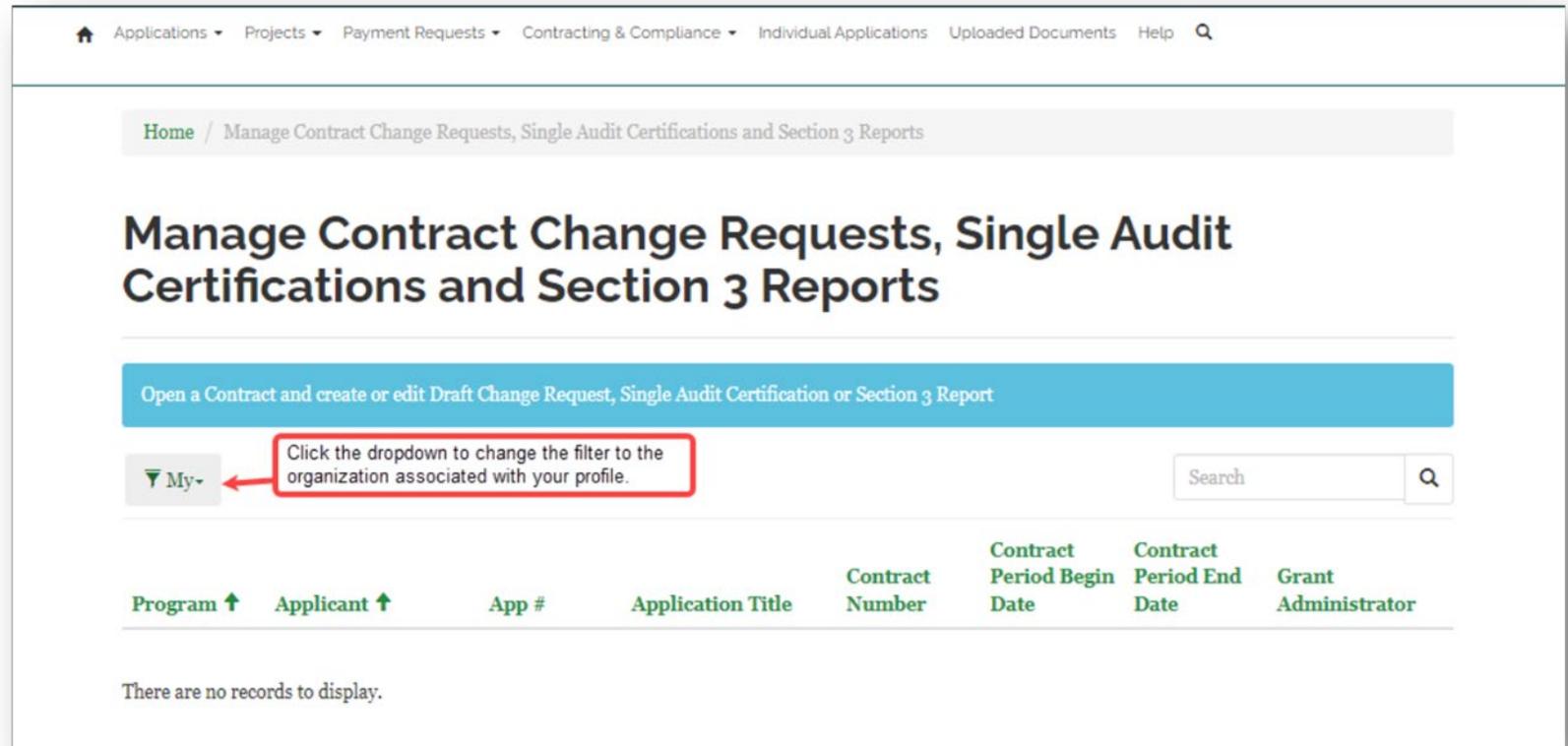


The screenshot displays the TIGR application portal interface. At the top, there is a navigation bar with a home icon and several dropdown menus: Applications, Projects, Payment Requests, Contracting & Compliance, Individual Applications, Uploaded Documents, and Help. The 'Contracting & Compliance' dropdown menu is open, showing a list of options: Contracting & Compliance, Subrecipient Account Verification, Manage Change Requests, Single Audit & Section 3 (highlighted in yellow with a red arrow), View My Change Requests, View My Single Audit Certifications, and View My Section 3 Reports. Below the navigation bar, the main content area is titled 'Application Introduction'. It contains text explaining the portal's purpose for the Texas General Land Office (GLO) and its partners, including the City of Houston and Harris County, in providing recovery services for Hurricane Harvey. The text includes links to Harris County and City of Houston direct allocation pages, a checklist for the Homeowner Assistance Program, and contact information for the GLO.

# 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.



Applications ▾ Projects ▾ Payment Requests ▾ Contracting & Compliance ▾ Individual Applications Uploaded Documents Help 🔍

Home / Manage Contract Change Requests, Single Audit Certifications and Section 3 Reports

## Manage Contract Change Requests, Single Audit Certifications and Section 3 Reports

Open a Contract and create or edit Draft Change Request, Single Audit Certification or Section 3 Report

▼ My- Click the dropdown to change the filter to the organization associated with your profile. Search 🔍

Program ↑	Applicant ↑	App #	Application Title	Contract Number	Contract Period Begin Date	Contract Period End Date	Grant Administrator
There are no records to display.							

# Section 3 Reporting in TIGR – Continued

Click the dropdown to *Open Contract*:

Applications ▾ Projects ▾ Payment Requests ▾ Contracting & Compliance ▾ Individual Applications Uploaded Documents Help 🔍

Home / Manage Contract Change Requests, Single Audit Certifications and Section 3 Reports

## Manage Contract Change Requests, Single Audit Certifications and Section 3 Reports

Open a Contract and create or edit Draft Change Request, Single Audit Certification or Section 3 Report

▼ ABC Consulting ▾ Search 🔍

Program ↑	Applicant ↑	App #	Application Title	Contract Number	Contract Period Begin Date	Contract Period End Date	Grant Administrator
Housing Competition (2015 Flood)	ABC Consulting	CDR17-0277-APP	██████████ Contract 18-384-000-B093	18-384-000-██████████	4/23/2018	8/31/2021	Sigler, Ron F. ▾
State Infrastructure and ER – LIP: H-GAC – HUD MID (2017 Harvey 2)	ABC Consulting	CDR17-0735-APP	ABC-HVInf	20-065-123-██████████	6/10/2020	8/31/2022	▾
State Infrastructure and ER – LIP: H-GAC – State MID (2017 Harvey 2)	ABC Consulting	CDR17-0600-APP	██████████	20-065-108-██████████	4/9/2020	6/30/2022	▾ <b>Open Contract</b>
State Planning (2016 Floods)	ABC Consulting	CDR17-0787-APP	██████████ Studies	19-181-000-██████████	2/18/2019	4/30/2022	▾



# 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*.

## Create, Edit and Submit Draft Change Requests, Single Audit Certifications and Section 3 Reports

Use lists on this page to create, edit and submit draft records.

**GENERAL**

Program *	Applicant	Contact	Grant Administrator
State Infrastructure and ER – LI	ABC Consulting	[REDACTED]	-
Contract Title	County	Council of Governments	
[REDACTED]	[REDACTED]	[REDACTED]	
GLO Contract Number			
20-065-108 [REDACTED]			

Draft Contract Change Requests Create

App # (Contract)	Change Request # ↑	Change Request Type	Title	Created On
There are no records to display.				

Draft Single Audit Certifications Create

Cert Status	Date Submitted	Submitted By	Exceeded Expenditure Threshold ↑
Draft			No

Section 3 Reports Click Create Create

App # (Application)	Contract Number (Application)	Fiscal Year ↑	Reporting Quarter ↑	Submitted?	Date Submitted
There are no records to display.					



# Section 3 Reporting in TIGR – Continued

The Create pop up is displayed.

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

**Create**

### General

Please re-open the Section 3 Report and provide required additional information

**Fiscal Year \*** 2021

**Reporting Quarter \*** Jun-Aug

**GLO Contract Number \*** 20-065-108- [REDACTED]

**Create** ←

# Section 3 Reporting in TIGR – Continued

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

Section 3 Reports

Create

App # (Application)	Contract Number (Application)	Fiscal Year ↑	Reporting Quarter ↑	Submitted?	Date Submitted
CDR17-060 [REDACTED]	20-065-108 [REDACTED]	2021	Jun-Aug	No	

Edit

# Section 3 Reporting in TIGR – Continued

The Section 3 record is displayed.

Complete the form and click *Submit*.

**Section 3**

Fiscal Year \* 2021 Reporting Quarter \* Jun-Aug

Grantee/Subrecipient \* ABC Consulting GLO Contract Number \* 20-06g-100 Contact Person \* John Doe

Total Labor Hours \* 500 Targeted Section 3 Workers Labor Hours \* 200 Section 3 Workers Labor Hours \* 100

This section is required if, based on the labor hours reporting above, the reporting agency did not meet the safe harbor benchmarks. Check all that apply. Maintain records of efforts for HUD and/or the GLO for monitoring reviews.

- We have met the Section 3 benchmarks
- 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 contracting 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 contract
- Provided or connected residents with assistance in seeking employment including drafting resumes, preparing for interviews, finding job opportunities, and connecting residents to jobs
- Division of contacts into smaller jobs to facilitate participation by Section 3 business concerns
- Held one or more jobs 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, interviews, clothing, uniform test fees, and transportation
- Assist residents with finding child care
- Assisted residents to apply for/or attend community college or a four year educational 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)

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 Reports Create

App # (Application)	Contract Number (Application)	Fiscal Year ↑	Reporting Quarter ↑	Submitted?	Date Submitted
CDR17-0 [REDACTED]	20-065-10 [REDACTED]	2021	Jun-Aug	Yes	11/1/2021

**Note:** The Date Submitted field is not immediately populated, but if the Submitted field shows 'Yes', then the report was successfully submitted.

*Note: The Date Submitted field is not immediately populated, but if the Submitted field shows 'Yes', then the report was successfully submitted.*



# Section 3 Resources



HUD EXCHANGE

Programs ▾

Resources ▾

Trainings ▾

Program Support ▾

Grantees ▾

News



## Featured Resources and Training



Section 3 FAQs



Section 3 Guidebook and Tools



Section 3 Training



HUD's Opportunity Portal

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

# QUESTIONS?

1-844-893-8937

[cdr@recovery.texas.gov](mailto: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**