

SECTION 3 COMPLIANCE REPORT FORM

(Housing and Community Development Financial Assistance Programs)

REPORT DATE: _____

VENDOR NAME	PROJECT DESCRIPTION	HACLA CONTRACT NUMBER
Point of Contact / Title	Telephone	E-mail
Work /Project Start Date	Work/Project End Date	Notes

This form should be completed by all vendors, contractors and service providers who have a contract with the Housing Authority of the City of Los Angeles that is subject to Section 3 requirements per 24 CFR Part 75 and/or HACLA’s Section 3 Policy and Compliance Plan (v3). **Complete this form in its entirety, and attach the following supporting documentation: Section 3 Worker and Targeted Section 3 Worker Certification forms, payroll information supporting labor hour benchmark data, certification that you followed order of hiring priority, evidence of qualitative efforts made to comply with Section 3 and other supporting documents as applicable.**

You may attach a letter to this report if needed to further state your efforts, achievements or obstacles encountered.

Submit this form at completion of your work or by January 5th of each contract year for multi-year contracts, unless agreed otherwise with the Section 3 Compliance Administrator. Questions and assistance with requirements and reporting can be sent to section3@hacla.org.

GENERAL GUIDANCE AND DEFINITIONS

Section 3 of the Housing and Urban Development Act of 1968 (codified at 12 U.S.C. 1701u and implemented at 24 CFR Part 75, hereinafter, "Section 3"), as amended, requires that economic opportunities, most importantly employment, generated by certain U.S. Department of Housing and Urban Development (“HUD”) financial assistance shall be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, or residents of the community in which the Federal assistance is spent.

Section 3 Worker means;

Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:

1. The worker's income for the previous or annualized calendar year is below the income limit established by HUD. (Note: Income is considered for the worker only and not based on household)
2. The worker is employed by a Section 3 business concern.
3. The worker is a YouthBuild participant.

A Targeted Section 3 Worker for housing and community development financial assistance means a Section 3 Worker as defined in 24 CFR Part 75.21, as may be amended from time to time, and means a worker documented through self-certification or other means acceptable to HUD, who is:

1. A worker employed by a Section 3 Business Concern; or
2. A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - i. Living within the service area or the neighborhood of the project*, as defined in § 75.5; or
 - ii. A YouthBuild participant.

**Section 3 Compliance Administrator will provide further guidance on the service area or the neighborhood of the project for the specific project.*

BENCHMARK GOALS

1. **25 percent** or more of the total number of labor hours worked by all workers on the project are **Section 3 Workers**; and
2. **5 percent** or more of the total number of labor hours worked by all workers on the project are **Targeted Section 3 Workers**.
3. **30 percent** of all New Hires are **Section 3 Workers**

HUD INCOME LIMITS

Low- and very low-income limits are defined in Section 3(b)(2) of the Housing Act of 1937 and are determined annually by HUD. These limits are typically established at 80 percent and 50 percent of the area median individual income. Most recent HUD income limits may be obtained from: <https://www.huduser.gov/portal/datasets/il/il2021/2021summary.odn>

Income Eligibility Guideline: FY 2021 Los Angeles County HUD Income Limits **Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area**

Very Low (50%) Income Limit	No more than \$41,400, or
Low (80%) Income Limit	No more than \$66,250

Note: a Section 3 worker can be either a very low or low-income individual.

HIRING PRIORITIES

Employment and training opportunities created by **housing and community development programs** shall be given to Section 3 Workers in the following order of priority:

- **P1:** Section 3 Workers residing within the service area or the neighborhood of the project; and
- **P2:** Participants in YouthBuild programs.

Part I: WORKFORCE COMPOSITION

Total Number of <u>All Workers</u> who worked on the Project	Total Number of <u>Section 3 Workers</u> who worked on the Project	Total Number of <u>Targeted Section 3 Workers</u> who worked on the Project

Part II: LABOR HOUR BENCHMARKS (25% and 5% goal)

Report labor hours worked on this project broken down by ALL Workers, Section 3 Workers and Targeted Section 3 Workers.

Labor Hours on the Project for <u>ALL Workers</u> (includes existing and new hires who worked on the project)	Labor Hours on the Project for <u>Section 3 Workers</u> (includes existing and new hires who worked on the project)	Labor Hours on the Project for <u>Targeted Section 3 Workers</u> (includes existing and new hires who worked on the project)

Attach documents supporting the data provided in this section and check the boxes below:

- LCP Tracker report certifying labor hours worked
- Other salary-based or time-and-attendance payroll records certifying labor hours

Part III: NEW HIRE BENCHMARKS (30% new hire goal)

Did you hire Section 3 Workers and/or Targeted Section 3 Workers in relation to this contract?

- YES NO

If **Yes**, please complete below tables, if **No**, move to Part III.

Total Number of All New Hires	Total Number of <u>Section 3 Worker New Hires</u>	Total Number of <u>Targeted Section 3 Worker New Hires</u>

Did you follow the order of hiring priority when hiring new workers?

- YES NO

Part V: QUALITATIVE EFFORTS (24 CFR Part 75.15)

Check the boxes that apply to demonstrate your good faith efforts to satisfy your section 3 obligations.

- Engaged in outreach efforts to generate job applicants who are Targeted Section 3 Workers, including notifying HACLA’s Section 3 team, posting job openings at the job site, HUD Opportunity Portal, social media pages, contacting Resident Advisory Councils, and other platforms;
- Contacted agencies administering Los Angeles County YouthBuild Programs, and requesting their assistance in recruiting LA County YouthBuild Program participants for training opportunities and employment positions;
- Consulted with state and local agencies administering training programs, such as those funded through Workforce Investment Act, unemployment compensation programs, community organizations and other officials or organizations to assist with training and recruiting Section 3 Workers and Targeted Section 3 Workers;
- Held job fairs;
- Provided or connecting Section 3 Workers and Targeted Section 3 Workers with assistance in seeking employment, including: drafting resumes, preparing for interviews, and finding job opportunities connecting residents to job placement services;
- Provided or referring Section 3 Workers to services supporting work readiness and retention (e.g., work readiness activities, interview clothing, test fees, transportation, child care);
- Assisted Section 3 Workers to obtain financial literacy training and/or coaching;
- Engaged in outreach efforts to identify and secure bids from Section 3 Business Concerns.
- Provided technical assistance to help Section 3 Business Concerns understand and bid on contracts;
- Divided contracts into smaller jobs to facilitate participation by Section 3 Business Concerns;
- Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 Business Concerns;
- Promoted use of Section 3 Business Registries designed to create opportunities for Section 3, disadvantaged and small businesses.

Part VI: NOTES AND COMMENTS (If needed, attach additional sheets)

By signing below, I hereby certify and declare under penalty of perjury under the laws of the United States and the State of California that the information provided on this form, as well as all documentation provided in support thereof, are true and correct, and that I am authorized on behalf of the Company to make this certification. Furthermore, I certify that I will maintain this documentation for the time period required for record retentions in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR part 200. I will make this records available to HACLA and/or HUD upon request.

Signature

Name and Title

Date

ADDITIONAL GUIDANCE FOR CONTRACTORS AND VENDORS

RECORDKEEPING: 24 CFR Part 75.31

Contractors, subcontractors and other recipients or sub-recipients must maintain documentation to ensure that workers meet the definition of a Section 3 Worker or Targeted Section 3 Worker as follows:

For a worker to qualify as a Section 3 worker, one of the following must be maintained:

1. A worker's self-certification that their income is below the income limit from the prior
2. calendar year;
3. A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;
4. 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;
5. 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
6. An employer's certification that the worker is employed by a Section 3 business concern.

For a worker to qualify as a Targeted Section 3 worker under Housing and Community Development Programs, one of the following must be maintained:

1. 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;
2. An employer's certification that the worker is employed by a Section 3 business concern; or
3. A worker's self-certification that the worker is a YouthBuild participant.

OTHER

- A contractor/vendor may report on Section 3 workers and Targeted Section 3 workers for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.
- Income limits are individual and not household.
- HACLA's Section 3 Worker Certification Form can be used to establish eligibility as a Section 3 Worker and Targeted Section 3 Worker.
- HACLA maintains a Section 3 Resident Registry database and can assist contractors/vendors in outreach and recruitment efforts.
 - We can identify and refer qualified Section 3 Workers and Targeted Section 3 Workers for your new hire needs. Submit a Job Order notifying us of your hiring needs.
- To calculate the labor hour benchmarks, see the graphics below:



- See HUD's Section 3 Regulation confided at 24 CFR Part 75, Labor Hour Benchmarks and FAQ at www.hacla.org/forms.
- Questions about HACLA's Section 3 program or completing this form can be directed to HACLA's Section 3 Compliance Administrator at section3@hacla.org.