

## SECTION 3 COMPLIANCE REPORT FORM

Public Housing Financial Assistance Programs

Labor Hour Benchmark Reporting Only

<b>Report Submission Date</b>	<b>Vendor Name</b>	<b>Work Description</b>
<b>HACLA Contract # and/or Purchase Order(s)</b>	<b>Total Amount Paid by HACLA for all Contracts/POs listed</b>	<b>Reporting Period Dates</b>
<b>Contact Name and Title</b>	<b>Telephone</b>	<b>E-mail</b>

You are being requested to submit this reporting as our records show that you performed work for the Housing Authority of the City of Los Angeles that was paid using federal funds subject to Housing and Urban Development (HUD) Section 3 requirements per 24 CFR Part 75.

If you are awarded multiple contracts or purchase orders in any calendar year, list them all above and include the cumulative data for all work performed in the current calendar year. You do not need to submit separate reports for each work, unless requested so by the Housing Authority. Questions and assistance with requirements and reporting can be directed to the Section 3 Administrator at [section3@hacla.org](mailto:section3@hacla.org).

**Part I: Section 3 Business Qualification:**

**Does your business qualify as a Section 3 Business?**      Yes       No   
 (see page 3 for qualifying definition)

If Yes, all your workers will qualify as Section 3 and Targeted Section 3 Workers.

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

<b>Total Labor Hours on the Project for ALL Workers</b> (includes existing and new hires who worked on the project)	<b>Labor Hours Worked on the Project by Section 3 Workers (25% goal)</b> (includes existing and new hires who worked on the project)	<b>Labor Hours Worked on the Project by Targeted Section 3 Workers (5% goal)</b> (includes existing and new hires who worked on the project)

**REQUIRED:** Attach documents supporting the data provided in this section and check the applicable box below:

- LCP Tracker report certifying labor hours worked
- Good faith assessment of the labor hours of a full time or part time employee informed by existing salary or time and attendance based payroll systems

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

Did you hire Section 3 Workers and/or Targeted Section 3 Workers in relation to this contract/Purchase Order(s)?

YES       NO      If Yes, state how many \_\_\_\_\_

**Part III: QUALITATIVE EFFORTS (24 CFR Part 75.15)**

If contractor has not met the labor hour benchmark goals established by HUD, it has to report on the qualitative nature of its Section 3 compliance activities and those of its subcontractors (if any). Such qualitative efforts pursuant to 24 CFR Part 75.15, and may include but are not limited to the following:

- 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 IV: NOTES AND COMMENTS (state efforts made to satisfy the labor hour benchmarks per above noted qualitative efforts, list challenges and achievements, attach support documents)**

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

## 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 Business Concern** means a business concern as defined in 24 CFR 75.5, as may be amended from time to time, and means a business concern meeting at least one of the following criteria, as documented within the last six-month period through self-certification or other means acceptable HUD:

- a. It is at least 51 percent owned and controlled by low- or very low-income persons;
- b. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 Workers; or
- c. It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

### 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, FY 2022 income limit is \$66,750 max**)
2. The worker is employed by a Section 3 business concern.
3. The worker is a YouthBuild participant.

**A Targeted Section 3 worker for public housing financial assistance** means a Section 3 worker 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. A resident of public housing or Section 8-assisted housing;
  - ii. A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or
  - iii. A YouthBuild participant.

## LABOR HOUR BENCHMARK GOALS

- **25 percent** or more of the total number of labor hours worked by all workers on the project are **Section 3 Workers**; and
- **5 percent** or more of the total number of labor hours worked by all workers on the project are **Targeted 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/il2022/select\\_Geography.odn](https://www.huduser.gov/portal/datasets/il/il2022/select_Geography.odn).

### **Income Eligibility Guideline: FY 2022 Los Angeles County HUD Income Limits** **Los Angeles-Long Beach-Glendale, CA HUD Metro FMR Area**

Very Low (50%) Income Limit	No more than \$41,700, or
Low (80%) Income Limit	No more than \$66,750

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

## HIRING PRIORITIES

Employment and training opportunities created by **public housing financial assistance** shall be given to Section 3 Workers in the following order of priority:

- **P1:** To residents of the public housing projects for which the public housing financial assistance is expended;
- **P2:** To residents of other public housing projects managed by HACLA or for residents of Section 8-assisted housing managed by HACLA;
- **P3:** To participants in YouthBuild programs; and
- **P4:** To low- and very low-income persons residing within the metropolitan area in which the assistance is expended.

## 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 calendar year;
2. A worker's self-certification of participation in a means-tested program such as public housing or Section 8-assisted housing;
3. 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;
4. 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
5. 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 Public Housing Assistance Programs one of the following must be maintained:**

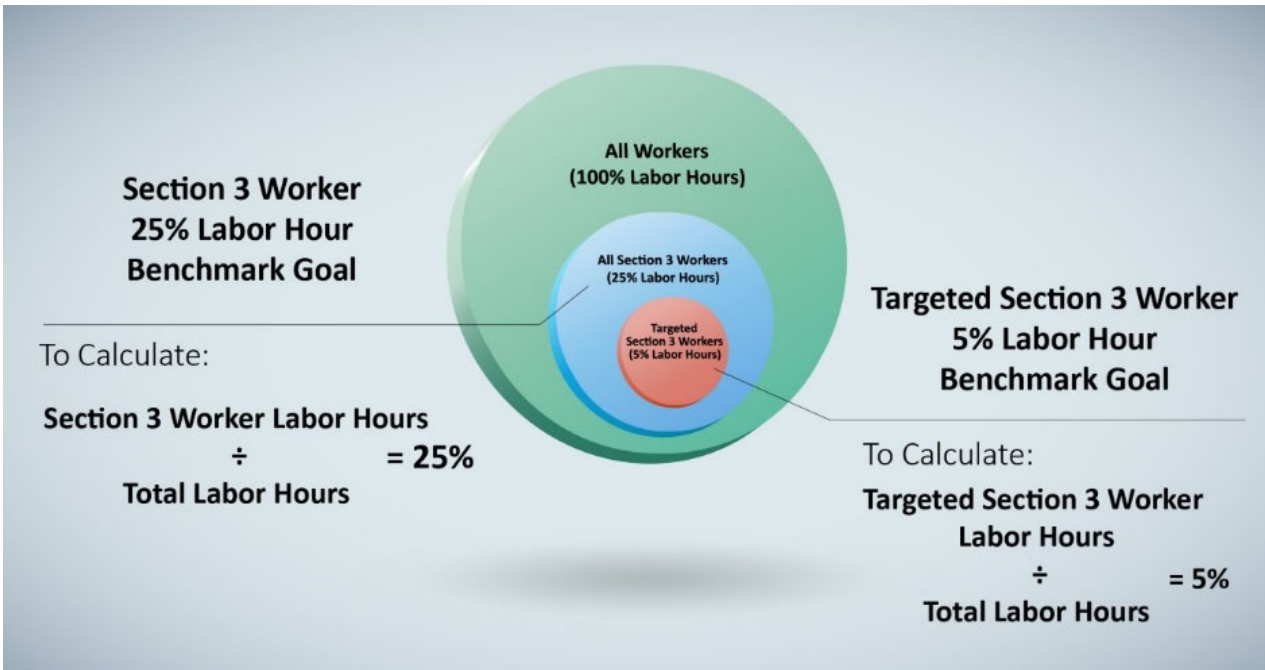
1. A worker's self-certification of participation in public housing or Section 8-assisted housing programs;
2. Certification from a PHA, or the owner or property manager of project-based Section 8-assisted housing, or the administrator of tenant-based Section 8-assisted housing that the worker is a participant in one of their programs;
3. An employer's certification that the worker is employed by a Section 3 business concern; or
4. A worker's 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 benchmark, see the graphics below:



More information and resources are available on HUD website at: <https://www.hud.gov/section3> and HACLA website at: <https://www.hacla.org/en/contracts-and-procurement/forms-documents-and-policies>

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](mailto:section3@hacla.org)