

HUD Section 3 Sample Utilization Tool:

Section 3 Projects with HCD Funding

Public reporting for this collection of information is estimated to average 1.50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering, and maintaining the data needed, and completing and reviewing the collection of information.

Section 3 of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1992 (Section 3), and 12 U.S.C. § 1701u ensure that employment and other economic opportunities generated by Federal financial assistance for housing and community development programs are, to the greatest extent feasible, directed toward low- and very low-income persons, particularly those who receive government assistance for housing or residents of the community in which the Federal assistance is spent. The regulations are found at 24 CFR Part 75. This collection of information is required to ensure that Section 3 workers and Section 3 Business concerns participating in Housing and Community Development Projects and Public Housing Assistance Projects with HUD funding are documenting Section 3 labor hours to meet the requirements of Section 3 found in 24 CFR part 75. The information will be used by the Department to monitor program recipient's compliance with Section 3, to assess the results of the Department's efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as a self-monitoring tool.

Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions to reduce this burden, to Anna P. Guido, Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Room 4176, Washington, DC 20410-5000. When providing comments, please refer to OMB Approval No. 2501-0040. HUD may not conduct and sponsor, and a person is not required to respond to, a collection of information unless the collection displays a valid control number. No assurances of confidentiality are provided for this information collection.

The Utilization Tool is to document the Section 3 labor hours for Section 3 workers and Section 3 Business Concerns. This document and accompanying forms are to be completed by businesses, procured in accordance with program requirements, work on a Section 3 project. Please note that the procurement process and the Section 3 Worker or Section 3 business concern self-certification and verification process is completed outside of this tool.

Section I Project Information

HUD-funded entity: _____

Subrecipient: _____

Prime/General Contractor: _____

Primary contact name and title: _____

Primary contact email and phone: _____

Project name or title: _____

Date funding awarded: _____

Section II Funding Source

Section 3 projects must report the amount of HUD funds awarded to a project. If the single or combined award of HUD-funding is \$200,000 or greater (or \$100,000 or greater from the programs noted with an asterisk) the remaining sections of the form must be completed.

A Section 3 project is the site or sites together with any building(s) and improvements on the site(s) that are under common ownership, management, and financing. Recipients must include Section 3 requirements in any subrecipient agreement or contract where applicable HUD program funds are obligated or awarded.

Select name of HUD program (if program is not listed, please use “other” option listed in the chart) providing funding and list the amount of funding in the project:

	Name of HUD Program	Funded Amount
<input type="checkbox"/>	Community Development Block Grant (CDBG)	\$ _____
<input type="checkbox"/>	HOME Investment Partnership Grant	\$ _____
<input type="checkbox"/>	Emergency Shelter Grant (ESG)	\$ _____
<input type="checkbox"/>	Housing Opportunities for Persons with Aids (HOPWA)	\$ _____
<input type="checkbox"/>	Disaster Recovery Grant (CDBG-DR)	\$ _____
<input type="checkbox"/>	Section 202/811	\$ _____
<input type="checkbox"/>	Housing Trust Fund	\$ _____
<input type="checkbox"/>	Self Help Ownership Program (SHOP)	\$ _____
<input type="checkbox"/>	Continuum of Care	\$ _____
<input type="checkbox"/>	Healthy Homes*	\$ _____
<input type="checkbox"/>	Lead Hazard Reduction Grant*	\$ _____
<input type="checkbox"/>	Other HUD funded programs: [enter name of program]	\$ _____
<input type="checkbox"/>	Public Housing Funding	\$ _____
<input type="checkbox"/>	PH Operations Funds	\$ _____
<input type="checkbox"/>	PH Capital Funds	\$ _____
<input type="checkbox"/>	PH Moving to Work Funds	\$ _____
<input type="checkbox"/>	External Funds (non-HUD)	\$ _____
	<i>Total Funded Amount</i>	\$ _____

The above table can also be found as a spreadsheet on Form 4737D

Please note, that recipients must require the contractor and/or subcontractor, to the greatest extent feasible and consistent with existing Federal, state and local laws and regulations, to ensure that employment and training opportunities and contracts for work arising in connection with Section 3 projects are provided to Section 3 workers and business concerns that provide economic opportunities to Section 3 workers within the metropolitan area or (nonmetropolitan county) in which the project is located.

Any employment and training or contracting opportunities in connection with Section 3 projects should give priority, to the greatest extent feasible, to the following:

1. Section 3 worker residing in or Section 3 business concern providing economic opportunities to Section 3 workers in the service area or neighborhood of the project; or
2. YouthBuild participants

The service area or neighborhood of the project means an area:

- Within one mile of the Section 3 project work site, or
- Within a circle centered on the Section 3 project work site that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census, if fewer than 5,000 people live within one mile of a Section 3 project.

Section III Identification and Recordkeeping for Section 3 Businesses

For each Section 3 Business that is completing work on the Section 3 project identified in Section I, complete the HCD Form 4737 with information for each contractor as instructed on the form. Each contractor must document the total number of labor hours and enter the specific amount of Section 3 business labor hours worked on the project. Certification will be documented prior to the execution of a contract. Professional service providers and recipient or subrecipient information may be entered. Certification documentation must be maintained by the recipient or the recipient must ensure that the subrecipient, contractor, or subcontractor maintains documentation for the required record retention period in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR Part 200. (See HCD Form 4737 attached)

Form 4737 is intended to provide a template for both non-Section 3 Businesses and Section 3 Businesses to record labor hours to document compliance on the Section 3 project. A business can also use a separate form or internal system to document compliance. Form 4737 tracks the total number of labor hours for each business that is contracted to complete work on the Section 3 project.

Section IV Identification and Recordkeeping for Section 3 Workers and Targeted Section 3 Workers

For each Section 3 worker that is employed on a Section 3 project, complete the Form 4737A with information for each contractor as instructed on the form. Each contractor must document the total number of labor hours and the total number of Section 3 worker and Targeted Section 3 worker labor hours worked on the project. Certification is documented outside of this form. Professional service providers and recipient or subrecipient information may be entered. Certification documentation must be maintained by the recipient or the recipient must ensure that the subrecipient, contractor, or subcontractor maintains documentation for the required record retention period in accordance with applicable program regulations or, in the absence of applicable program regulations, in accordance with 2 CFR Part 200. (See Form 4737A attached)

Form 4737A is intended to provide a template for both non-Section 3 Businesses and Section 3 Businesses to record labor hours to document compliance on the Section 3 project. A business can also use a separate form or internal system to document compliance. Form 4737A tracks the total number of labor hours for each business that is contracted to complete work on the Section 3 project.

Section V Certification

By signing this Section 3 Utilization Tool, [contractor/subcontractor] certifies that it meets the requirements of 24 CFR § 75.19. To the greatest extent feasible, the undersigned agrees to provide employment and training opportunities and contracts for work arising in connection with Section 3 projects to Section 3 workers and business concerns that provide economic

opportunities to Section 3 workers within the metropolitan area or (nonmetropolitan county) in which the project is located.

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. **WARNING:** Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012, 1014; 31 U.S.C. §3729, 3802)

Printed Name of Signer

Date

Signature

Note: This form must be signed by a representative, officer, or agent of the entity or business signing and certifying this information.