

## Section 3 Compliance Report

**Instructions:** All subrecipients, contractors, and subcontractors on Section 3 projects must complete and submit this Section 3 Compliance Report. The report summarizes efforts and progress toward achieving the Section 3 benchmarks. If more space is needed, you may attach additional pages, a spreadsheet supplying the required information, or a letter to further state your efforts, achievements, or obstacles encountered. Attach all supporting documentation including Section 3 Worker Certification forms, payroll information, and evidence of qualitative efforts to comply with Section 3 as applicable.

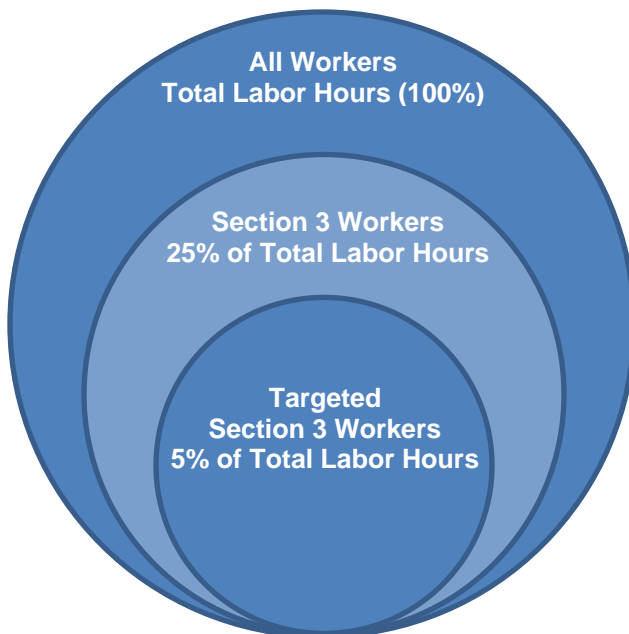
Business Name:	Project:
Authorized Representative:	Title:
Phone #:	Email:
Reporting Period:	

### General Guidance

#### Compliance Benchmarks

To demonstrate compliance with Section 3, contractors are required to follow the prioritization of effort outlined in 24 CFR 75.19 and meet or exceed the following benchmarks:

1. **25 percent** or more of the total number of labor hours worked by all workers on the project shall be performed by **Section 3 workers**, and
2. **5 percent** or more of the total number of labor hours worked by all workers on the project shall be performed by **Targeted Section 3 workers**.



$$\frac{\text{Section 3 Labor Hours}}{\text{Total Labor Hours}} = 25\%$$

AND

$$\frac{\text{Targeted Section 3 Labor Hours}}{\text{Total Labor Hours}} = 5\%$$

#### Definitions

- **Section 3 worker:** 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 (*see Income Limits table below*).
  - (2) The worker is employed by a Section 3 business concern.
  - (3) The worker is a YouthBuild participant.

- **Targeted Section 3 worker:** 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 within the past five years fit at least one of the following categories, as documented:
    - Living within the service area or the neighborhood of the project; or
    - A YouthBuild participant.
- **Section 3 business concern:** A business meeting at least one of the following criteria, documented within the last six-month period:
  - (1) It is at least 51 percent owned and controlled by low- or very low-income persons;
  - (2) Over 75 percent of the labor hours performed for the business over the prior three-month period were performed by Section 3 workers who are currently, or were at the time of hire within the last five years: i) low-income persons or ii) YouthBuild participants; or
  - (3) The business is at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
- **Service area or the neighborhood of the project:** An area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census.

### **HUD Income Limits**

HUD develops income limits based on Area Median Income (AMI) estimates and Fair Market Rent (FMR) area definitions. For more information, please see the HUD Income Limits Documentation System online at [www.huduser.gov/portal/datasets/il.html](http://www.huduser.gov/portal/datasets/il.html).

The income limits for the **New Orleans-Metairie, LA HUD Metro FMR Area** apply to the following parishes: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. John the Baptist, St. Tammany.

Fiscal Year	2022	2021	2020	2019	2018	2017
Low-income (80% AMI)	<b>\$43,900</b>	<b>\$39,300</b>	<b>\$39,450</b>	<b>\$37,750</b>	<b>\$36,750</b>	<b>\$35,500</b>

### **Part I: Labor Hours**

Report the number of labor hours worked on this project during the reporting period by *ALL workers*, *Section 3 workers*, and *Targeted Section 3 workers*.

Note—subrecipients/contractors may count an employee as Section 3 or Targeted Section 3 for five years from when their certification as a Section 3 worker or Targeted Section 3 worker is established.

#### **1. Section 3 hours**

A. Total number of labor hours worked by <b>ALL workers</b>	B. Number of labor hours worked by <b>Section 3 workers</b>	% Section 3 hours (Divide column B by column A)
		%

#### **2. Targeted Section 3 hours**

A. Total number of labor hours worked by <b>ALL workers</b>	B. Number of labor hours worked by <b>Targeted Section 3 workers</b>	% Targeted Section 3 hours (Divide column B by column A)
		%

#### **3. Documentation**

You must provide documentation supporting labor hours data. Check below as appropriate:

- Labor hours have been certified in LCPtracker.
- Other salary-based or time-and-attendance payroll records are attached to this report.

## Part II: Section 3 Workers

Identify all Section 3 workers who have worked on this project to date. Attach a Section 3 Certification for each person who is being reported for the first time.

[illegible]

### Part III: Section 3 Business Concerns

Identify all Section 3 businesses that have performed work on this project to date.

[illegible]

## Part IV: Qualitative Efforts

Check the boxes below to indicate the efforts you have made to satisfy your Section 3 obligations, or the nature of activities you pursued in the absence of meeting the labor hour benchmarks.

- Posted notice of job openings calling for Section 3 applicants at the job site, on the HUD Opportunity Portal, social media pages, and other platforms.
- Consulted with local YouthBuild programs, Louisiana Workforce Commission, JOB 1, or other community organizations to assist with training and recruiting Section 3 workers and Targeted Section 3 workers.
- Provided training or apprenticeship opportunities.
- Held one or more job fairs.
- Advertised contracting opportunities on the HUD Opportunity Portal.
- Sent written notice of Section 3 contracting opportunities to local business development organizations, minority contracting associations, or other similar organizations.
- Searched the HUD Opportunity Portal or other business registries for Section 3, disadvantaged and small businesses to identify potential Section 3 subcontractors.
- Provided technical assistance to help Section 3 businesses understand and bid on contracts.
- Divided contracts into smaller jobs to facilitate participation by Section 3 businesses.
- Provided bonding assistance, guaranties, or other efforts to support viable bids from Section 3 business concerns.
- Provided technical assistance to help Section 3 workers compete for jobs, or connected them with assistance in seeking employment, including resume assistance, interview preparation, coaching, or job placement services.
- Provided or referred Section 3 workers to services supporting work readiness and retention, such as interview clothing, licensing or testing fees, transportation, childcare.
- Helped Section 3 workers to obtain financial literacy training and/or coaching.
- Provided assistance to Section 3 workers to apply for or attend community college, four-year educational institution, or vocational/technical training.
- Other, please describe:

### Additional Notes or Comments

---

**Authorized Representative Signature**

---

**Date**

