

DRAFT

MEMORANDUM

TO: All Interested Parties

FROM: Shabbir Olia
CED Programs Manager

Subject: Section 3 Summary Form HUD-60002

DATE: March 1, 2013

All grantees with open CDBG projects with a grant award **greater than \$200,000** are required to submit a HUD Form 60002 annually. **The deadline for submitting the Form 60002 for each project is either April 8, 2013 (for grant administration firms and agencies with 10 or more open grants) or April 15, 2013 (for grant administration firms and agencies with 1-9 open grants).** The current reporting period is **April 1, 2012-March 31, 2013.**

New This Year: No changes in reporting.

Things to Remember: Report only CDBG dollars. Any contracts funded with both CDBG dollars and local dollars must show only the CDBG dollars on ADECA’s Form 60002. If a project has been funded out of multiple years, include CDBG funds for all program years. A HUD Form 60002 is also due at project closeout. If the report is submitted at closeout, the report period will be from the previous report to the closeout date. All information is cumulative from the start of the grant. Complete all three parts of Form 60002.

Section 3 of the Housing and Urban Development Act of 1968 was established to provide economic opportunities (subcontracts, jobs and training) to low- and very low-income residents and Section 3 businesses of the county or MSA in which the CDBG project is located. Section 3 requirements apply to the whole project, regardless of whether it is fully or partially funded by CDBG. Section 3 requirements apply to contractors and subcontractors performing work when the CDBG award is >\$200,000 and the contract/subcontract is >\$100,000. The report must include the accomplishments of the recipient and their Section 3 covered contractors and subcontractors. Maintain appropriate documentation.

Section 3 is race-neutral. Section 3 status is based on income and location. A minority business enterprise shall be required to present Section 3 certification to be counted as Section 3.

The Form 60002 can be accessed on our website at the address below:
http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_12048.pdf

You may mail your report to Alabama Department of Economic and Community Affairs, Post Office Box 5690, Montgomery, Alabama 36103-5690, Attention: Johnnie Streeter; or you may email your report to johnnie.streeter@adeca.alabama.gov with a cc to jan.thomas@adeca.alabama.gov.

If you have questions, please call Johnnie Streeter, Civil Rights Specialist, at 334-242-5451 or Jan Thomas, Civil Rights Assistant, at 334-353-2909. The updated [ADECA Instructions for Completing the HUD Form 60002](#) start in the next paragraph.

ADECA Instructions for Completing the HUD Form 60002

HUD Field Office: *Leave blank.*

1. **Recipient:** Enter the name and address of the recipient (grantee).
2. **Federal Identification:** Enter the CDBG project number. *If the project is funded out of multiple years, list the primary grant number first and then list each additional project number.*
3. **Dollar Amount of Award:** Enter the dollar amount of CDBG funds only, rounded to the nearest dollar. *Note: The Total Amount of Award will reflect the latest approved budget amount.*
4. **Contact Person:** Enter the name of the person with knowledge of the award and of the recipient's implementation of Section 3.
5. **Phone:** Enter the telephone number of the person listed in Item 4.
6. **Length of Grant:** The date of the grant award through the currently approved program implementation schedule closeout date.
7. **Reporting Period:** For the 2013 annual report, list **4/1/12 to 3/31/13**. If this is a closeout report, the report period will be 4/1/12 to the date of submission of closeout materials to ADECA. All information is cumulative from the start of the grant.
8. **Date Report Submitted:** Enter the date submitted to ADECA.
9. **Program Code:** "8"
10. **Program Name:** "CDBG State Administered"

Part I: Employment and Training Opportunities

Column A: Various job categories. Professionals are defined as people who have special knowledge of an occupation (i.e. supervisors, architects, engineers, surveyors, planners, and computer programmers). *For construction positions, list each trade where persons were employed in column A and provide its corresponding data in columns B through F.* The category of "Other" includes occupations such as service workers. Include any persons hired by the recipient to work on the project.

Column B: (Mandatory Field) Enter the number of new hires for each category of workers identified in Column A in connection with this award (please see definitions section).

Column C: (Mandatory Field) Enter the number of Section 3 new hires for each category of workers identified in Column A in connection with this award (please see definitions section).

Column D: Enter the percentage of staff hours of new hires (Section 3 residents) in connection with all new hires for this project (total staff hours for the recipient and contractor worked by new Section 3 employees divided by the total staff hours worked by all new hires on the project).

Column E: Enter the percentage of the total staff hours worked by Section 3 employees and trainees (including new hires) connected with this award. Include staff hours for part-time and full-time positions. (This is the number of Section 3 staff hours divided by the total number of staff hours for all employees).

Column F: (*Mandatory Field*) Enter the number of Section 3 residents who were employed and trained (including new hires) in connection with this award.

Part II: Contract Opportunities.

Block 1: Construction Contracts

Item A: Enter the total dollar amount of all construction contracts awarded on the project/program **(CDBG dollars only)**. *This includes Construction, Building Trades, Carpentry, Masonry, Electrical, Plumbing, Demolition, and related.*

Item B: Enter the total dollar amount of construction contracts connected with this project/program that were awarded to Section 3 businesses **(CDBG dollars only)**.

Item C: Enter the percentage of the total dollar amount of construction contracts connected with this project/program awarded to Section 3 businesses **(CDBG dollars only)**.

Item D: Enter the number of Section 3 businesses receiving construction contracts.

Block 2: Non-Construction Contracts

Item A: Enter the total dollar amount of all non-construction contracts awarded on the project/program **(CDBG dollars only)**. *This includes Professional Service Contracts for Administration, Architecture, Engineering, Legal Services, Appraisal, and related.*

Item B: Enter the total dollar amount of non-construction contracts connected with this project awarded to Section 3 businesses **(CDBG dollars only)**.

Item C: Enter the percentage of the total dollar amount of non-construction contracts connected with this project/program awarded to Section 3 businesses **(CDBG dollars only)**.

Item D: Enter the number of Section 3 businesses receiving non-construction contracts.

Part III: Summary of Efforts (*check all that apply*).

Block 1: Attempted to recruit low-income residents through advertising, project signs, and by contracting with community organizations/agencies.

Block 2: Participated in a program promoting the training or employment of Section 3 residents.

Block 3: Participated in a program promoting the award of contracts to Section 3 business concerns (*please see definitions section*).

Block 4: Coordinated with local Youthbuild Programs.

Block 5: Other. Describe these activities in the space provided below the block.

Definitions.

Project Area: The county or MSA where the CDBG funded activity is located.

New Hire: New hire refers to a full-time employee for a new permanent, temporary, or seasonal position that is created during the expenditure of the CDBG funds.

Section 3 Resident: A project area resident of public housing, a homeless person residing in the project area, a project area participant of the Youthbuild program, or a project area family or individual of *very low-income* (50% of median family income) or *low-income* (80% of median family income).

Section 3 New Hire: A project area resident of public housing, a homeless person residing in the project area, a project area participant of the Youthbuild program, or a very low- or low-income resident of the project area *who was hired* for a full-time permanent, temporary, or seasonal position that is created during the expenditure of the CDBG funds.

Section 3 Business Concern: Business concern means a business entity formed in accordance with state law, and which is licensed under state, county or municipal law to engage in the type of business activity for which it was formed and A) fifty-one percent or more of the business is owned by Section 3 residents; or B) thirty percent or more of the permanent, full-time employees are currently Section 3 residents or were Section 3 residents when hired (*hire date within the last 3 years*); or C) has committed to subcontract twenty-five percent or more of the dollar value of subcontracts to business concerns meeting either A or B above.

Legislatively Established Section 3 Goals: 30% of new hires, 10% of construction contracts, and 3% of non-construction contracts.