OFFICE OF THE GOVERNOR

KAY IVEY
GOVERNOR

STATE OF ALABAMA

ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS

KENNETH W. BOSWELL
DIRECTOR

February 2, 2026

MEMORANDUM

TO: All Interested Parties

FROM: Kathleen A. Rasmussen, Ph.D.
CED Division Chief

SUBJECT: Section 3 Reporting for April 1, 2025 – March 31, 2026

Pursuant to the U.S. Department of Housing and Urban Development's (HUD) rule published at 24 CFR Part 75, this is a reminder that beginning on July 2, 2021, any HUD-funded federal grant that was open on that date and afterwards is no longer required to submit Section 3 Reports annually to ADECA. Such open grants are subject to Section 3 reporting only at the time of grant monitoring and at the time of grant closeout. Please do not send any Section 3 Reports to ADECA unless (i) the grant was open as of July 1, 2021 and prior to that date and it continues to be open (not yet closed out), or (ii) you are closing out the grant.

Currently, the ADECA CED Division is in the process of preparing the Section 3 Report for submittal to HUD, and ADECA's Section 3 Report is subject to HUD's rule at 24 CFR Part 75. Therefore, all subrecipients must submit the completed **HUD Form 60002** for all of their CDBG, CDBG-Disaster, CDBG-CV (CARES Act), ESG, and HOPWA subgrants **that were open on or before July 1, 2021 and that continue to be open (not yet closed out), or if you are closing out the grant**. These Section 3 Reports are to be sent to the ADECA CED Division by the close of business **Friday, April 3, 2026.**

Please note that if you are reporting CDBG, CDBG-Disaster, CDBG-CV (CARES Act), ESG, and HOPWA funds on your Section 3 Reports, then report only the CDBG, CDBG-Disaster, CDBG-CV (CARES Act), ESG, and HOPWA dollar amounts expended on all grant contracts from the reporting period of April 1, 2025 through March 31, 2026.

Also, if you are reporting funds for any CDBG open grants that are **closing out prior to or on March 31, 2026**, then the Section 3 Report will report total CDBG dollars received throughout the life of the grant, and that Section 3 Report is to be received by the ADECA CED Division with the respective CDBG grant's closeout paperwork on or before **March 31, 2026**.

Please **email** the completed Section 3 Report form(s) to Ms. Teresa Nobles in the ADECA CED Division at teresa.nobles@adeca.alabama.gov. If you have any questions concerning this matter, please do not hesitate to contact Teresa by email or by telephone at (334)353-2010. Thank you for your attention to this matter.

KAR:TMN:cdm