CITY OF CLEVELAND
Mayor Frank G. Jackson

Section 3 Reporting Guidelines

CITY OF CLEVELAND
Department of Community Development

1. What is Section 3?

Section 3 Resident Employment is a requirement of HUD which sets goals for the participation of Section 3-Certified Contractors and the employment of Section 3 Residents (low income) of the jurisdiction providing funding to support the project.

- 30 % of new hires by participating contractors must be Section 3 Residents,
- 10 % of the total dollar amount for building trades work (construction awards) related to the project must go to Section 3-certified contractors, and
- 3 % of all other covered contracts (non-construction awards) must go to Section 3-certified businesses.

2. Who Reports?

- ALL contractors who receive $100,000 or more in awards on construction projects funded by HUD through the City of Cleveland.

3. When and what reports must be submitted?

- **At the beginning of a contractor's work on a project the following documents are due:**

☐ **Form A - Core Construction and Non-Construction Contract Awards** – This is a list of all the subcontractors which a qualifying contractor expects to employ for the project including construction contractors and non-construction contractors and the expected amount of their subcontract awards (estimates are OK). Non-construction contractors include suppliers (without installation), trucking (hauling of materials), security services, waste collection (dumpsters), tree service, non-profit agency fees, engineering services, architectural services, legal services, etc.

☐ **Form C – Core Employees List** – This is a notarized list of a company's core employees at the beginning of a project and must note the date of hire and whether the employee is a Section 3 resident of the City of Cleveland.

☐ **Form D – Section 3 Resident Income Verification Form** – This provides verification signed by the employee that they are income qualified to be considered a Section 3 Resident. This must be completed for each of the Core Employees who the company claims as a Section 3 employee.

☐ A signed **Section 3 Acknowledgement Clause** – Contractor Version (Developer Version for Developers only) – This acknowledges your obligations as a contractor participating in a Section 3-covered project.

- **Fifteen days after the end of each quarter during which a qualifying contractor participated in construction the contractor must submit a quarterly report including:**

  ☐ An updated **Form A – Core Construction and Non-Construction Contract Awards** – You may submit the same form that you submitted at the beginning of the project with all updates highlighted in BOLD.

  ☐ A **Workforce Utilization Form** identifying all new hires of the contractor during the quarter being reported (even if none) identifying the date of hire, the employee's address and whether they are a Section 3 resident of the City of Cleveland.

  ☐ A **Form D – Resident Income Verification Form** – Complete for each new hire who is a Section 3 Resident of the City of Cleveland.

- **At the end of your participation as a qualifying contractor ($100,000 or more in awards) you must submit:**

  ☐ A FINAL **Form A – Core Construction and Non-Construction Contract Awards** listing all your subcontractors and the information required for each on the form.

Note: If you have any questions about reporting for Section 3 please contact Yvette Mosby ymosby@city.cleveland.oh.us. Section 3 reporting forms are available on the City's website by going to the webpage for the Department of Community Development under "Forms and Publications". The Excel version of Form A is not available on the website but will be provided on request. Please use the Excel version of Form A if possible.

You may qualify for certification as a Section 3 Contractor if (a) 30% of the employees of your company are Section 3 Residents of Cuyahoga County or (b) 51% of the ownership of your company is a Section 3 Resident of Cuyahoga County. Please request the certification package of your preference by e-mailing Yvette Mosby at the e-mail above.

This report MUST be submitted as an Excel file. Please e-mail to get the file: ymosby@city.cleveland.oh.us

CITY OF CLEVELAND
Mayor Frank G. Jackson

Form A - Section 3 Core Construction and Non-Construction Contract Awards Form

CITY OF CLEVELAND
Department of Community Development

Report will not be accepted if all fields are not filled.

INSTRUCTIONS: This form is for reporting Core Contract Awards (both Construction and Non-Construction) at the beginning of a project and also for Quarterly updates (instead of the Business Utilization Form).

For quarterly submissions, please make updates of contract amounts or new contracts in **BOLD**. All contractors with awards of $100,000 or more must report updated subcontractor information quarterly (even if none).

Project Name and Developer:		**Contract #:**		**Date Form Completed:**	
Reporting Business:	**Reporting Business Address:**		**City:**	**Zip Code:**	**Phone:**
Section 3 Contact:	**This submission (circle one):**		**E-mail:**		
Reporting Year: 20____	**CORE Report 1 Qtr 2 Qtr 3 Qtr 4 Qtr**		**Total Hard Costs for Project:**		

Subcontractors of Reporting Business (include General Contractors, if any)	Address	City	State	Zip Code	Construction/Non-Construction	Tax ID # or SS #	Contract Amount	DO NOT COMPLETE Dept. Use Only	Contractor Certifications (Yes / No)				Male/ Female Owned	Ethnicity of Business Owner
									Sec 3	MBE	FBE	CSB		
XYZ Construction (GENERAL Contr.)	**5 Main Street**	**Cleveland**	**OH**	**44444**	**Const**	**11-1111111**			**Yes**	**No**	**Yes**	**Yes**	**F**	**American Indian/Alaskan**
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											

Form Updated April 2014

This report MUST be submitted as an Excel file. Please e-mail to get the file: ymosby@city.cleveland.oh.us

			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
			OH											
TOTAL Contracts and Section 3 Contracts:							**$0.00**	**$0.00**						
Percent Section 3 Contracts:								**#DIV/0!**						

Non-Construction contracts include: suppliers (without installation), trucking (hauling of materials), security services, waste collection (dumpsters), tree service, non-profit agency fees, engineering services, architectural services, legal services, etc.

CITY OF CLEVELAND
Mayor Frank G. Jackson

Form B: Sec. 3 Clause Acknowledgement Form

CITY OF CLEVELAND
Department of Community Development

Please note: This form is required from the Project Developer, the General Contractor and every contractor with an award of $100,000 or more.

Project Name:		Developer	
Address:			
City, State, Zip:		**E-mail:**	
Phone:		**Fax:**	
Sec. 3 Contact:		**Date:**	

I. Section 3 of the Housing and Urban Development (HUD) Act of 1968

■ Section 3 promotes economic development and individual self-sufficiency by ensuring opportunities generated by HUD financial assistance are directed to low-income persons and businesses which hire them.

■ Section 3 requirements apply to projects receiving $200,000+ in Federal assistance for housing construction and rehabilitation and to contractors receiving $100,000+ who must comply with Section 3 requirements in the same manner as direct recipients.

II. Section 3 Clause

All contracts associated with a Section 3-covered project must include the Section 3 Clause (attached).

III. Section 3 Compliance Goals

■Employment: at least 30% of the aggregate number of new hires must be Section 3 residents.

■ Contracting: at least 10% of the total dollar amount of all covered construction contracts and at least 3% of all other contracts must be awarded to certified Section 3 businesses.

IV. Project Employment & Contracting Information

Should Section 3-covered assistance be awarded, the following information must be submitted prior to recipient's first disbursement request.

■ Core Contractors List including all contracts of any size.
■ Core Employees Lists for Developer and all Contractors/Subcontractors awarded $100,000+.
■ Documentation of Good Faith Efforts to utilize certified Section 3 businesses.
■ Section 3 Employment Plan documenting project's estimated overall and Section 3 hiring opportunities.

V. Section 3 Compliance Narrative

Please describe the strategies and tactics you will utilize to achieve Section 3 hiring and contracting goals.

VI. Section 3 Reporting Obligations

Each quarter, Developer must submit Workforce and Business Utilization Reports detailing progress and good faith efforts toward meeting Section 3 hiring and contracting goals. Reports are due the 15th of the month following the end of the quarter (1/15, 4/15, 7/15 & 10/15).

VII. Non-Compliance

Failure to comply with and/or demonstrate good faith efforts to satisfy Section 3 employment and contracting requirements may result in sanctions, probation, withholding of payments or debarment.

I understand Section 3 requirements and, upon receipt of covered assistance, will take affirmative action to satisfy and document good faith efforts to comply with all Section 3 notification, information, hiring, contracting and reporting obligations.

Contractor Contact:	**Title**
Signature:	**Date**

For more information contact:	Cuyahoga Co.	Harry Conard: hconard@cuyahogacounty.us, (216) 443-7531
	Cleveland	Yvette Mosby: ymosby@city.cleveland.oh.us, (216) 664-4092

Section 3 Narrative

Please describe the strategies, method and tactics you will utilize to comply with Section 3 hiring and contracting requirements. (For Cleveland and Cuyahoga County projects only the Developer and General Contractor are required to complete this section of this form.).

Section 3 Clause

A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible be directed to low-and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 Clause and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this Section 3 Clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause. Upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135, the contractor will not subcontract with any subcontractor where the contractor has notice of knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contractor for default, and debarment or suspension from future HUD assisted contracts.

CITY OF CLEVELAND
Mayor Frank G. Jackson

FORM C – Core Employee List

CITY OF CLEVELAND
Department of Community Development

BUSINESS CERTIFICATION VERSION

Instructions: List all employees on company payroll noting the employee's hire date and whether they qualify as a Section 3 Resident. Section 3 Residents must meet low income criteria. For City contracts the employee must reside in the City to qualify for Section 3 Resident status.

Company Name:		**DATE:**
Project Name (if applicable):		
Section 3 Contact:		
Address:		
City, State, Zip:		
Phone Number:		
E-mail Address:		

	Name	Hire Date	Sec. 3 Resident?	Job Title or Trade
1			☐	
2			☐	
3			☐	
4			☐	
5			☐	
6			☐	
7			☐	
8			☐	
9			☐	
10			☐	
11			☐	
12			☐	
13			☐	
14			☐	
15			☐	
16			☐	
17			☐	
18			☐	
19			☐	
20			☐	

Subscribed and sworn before me this ____ day of ____, 20___.

Notary's signature: _____ ***(Affix Seal Here)***

For more information contact:

Cuyahoga Co. Harry Conard: hconard@cuyahogacounty.us, (216) 443-7531
Cleveland Yvette Mosby: ymosby@city.cleveland.oh.us, (216) 664-4092

	Name	Hire Date	Sec. 3 Resident?	Job Title or Trade
21			☐	
22			☐	
23			☐	
24			☐	
25			☐	
26			☐	
27			☐	
28			☐	
29			☐	
30			☐	
31			☐	
32			☐	
33			☐	
34			☐	
35			☐	
36			☐	
37			☐	
38			☐	
39			☐	
40			☐	
41			☐	
42			☐	
43			☐	
44			☐	
45			☐	
46			☐	
47			☐	
48			☐	
49			☐	
50			☐	
51			☐	
52			☐	
53			☐	
54			☐	
55			☐	
56			☐	
57			☐	
58			☐	
59			☐	
60			☐	

CITY OF CLEVELAND
Mayor Frank G. Jackson

Form D – Section 3 Resident Income Verification Form

CITY OF CLEVELAND
Department of Community Development

INSTRUCTIONS: This form must be completed for all Core Employees reported and all New Hires reported on the quarterly Workforce Utilization Reports IF they qualify as Section 3 Residents. For Cuyahoga County the employee must meet income criteria and reside in the Cleveland Metropolitan Area. For City of Cleveland projects the employee must meet the income criteria below and reside in the City.

This section to be completed by the EMPLOYER:

Project Name:	Contract Number:
Developer/Reporting Business Owner:	Date:
Address of Business:	Phone:
City, State, Zip	Fax:
Section 3 Contact:	E-mail:
Year:_____ ☐ Core Employees	☐ 1st Qtr ☐ 2nd Qtr ☐ 3rd Qtr ☐ 4th Qtr

This section to be completed by the EMPLOYEE:

I verify I was hired by the business listed above to perform the following work (check all that apply):

☐ Carpentry	☐ Heating (HVAC)	☐ Concrete/Asphalt
☐ Painting	☐ Environmental Cleaning	☐ Asbestos
☐ Electrical	☐ Roofing	☐ Lead Abatement
☐ Plumbing	☐ Window/Door Install	☐ Carpet/Floor Install
☐ Vinyl Siding	☐ Landscaping/Lawn Care	☐ Laborer/Other: _____

I certify that I am a resident of the City (if a City Project) or the County (if a County or CMHA Project) and my total income **for 2013** was not greater than the amount and family size indicated below:

- ☐ 1 Person household with total income equal to or less than $33,650
- ☐ 2 Person household with total income equal to or less than $38,450
- ☐ 3 Person household with total income equal to or less than $43,250
- ☐ 4 Person household with total income equal to or less than $48,100
- ☐ 5 Person household with total income equal to or less than $51,950
- ☐ 6 Person household with total income equal to or less than $55,750
- ☐ 7 Person household with total income equal to or less than $59,600
- ☐ 8 Person household with total income equal to or less than $63,450

I certify that the information provided is true and accurate and, if requested, I agree to provide documentation confirming the accuracy of my family size and household income for the year noted.

Print Name (Employee):	Date Hired:
Address:	City & Zip:
Signature (Employee):	Date Form Completed:

For more information contact:

Cuyahoga Co. Harry Conard: hconard@cuyahogacounty.us, (216) 443-7531
Cleveland Yvette Mosby: ymosby@city.cleveland.oh.us (216) 664-4092

This form is subject to all rules and regulations established by the HUD Fraud, Waste and Abuse Office.

CITY OF CLEVELAND
Mayor Frank G. Jackson

SECTION 3: Form E - Workforce Utilization Report

CITY OF CLEVELAND
Department of Community Development

Project Name:	Contract Number:
Developer/Reporting Business Owner:	Date:
Address of Business:	Phone:
City, State, Zip	Fax:
Section 3 Contact:	E-mail:
Year:_____ ☐ 1st Qtr ☐ 2nd Qtr ☐ 3rd Qtr ☐ 4th Qtr	

NEW HIRES THIS REPORTING PERIOD					HIRE DATE	SEC. 3 RESIDENT	Job Title/ Trade
	Name	Address	City	Zip Code			
1						☐	
2						☐	
3						☐	
4						☐	
5						☐	
6						☐	
7						☐	
8						☐	
9						☐	
10						☐	

Good Faith Efforts to comply with Section 3 hiring requirements. Attach separate sheet, if necessary.

FOR DEPARTMENTAL USE:	TOTAL HIRES:	SECTION 3 HIRES:	PERCENT SECTION 3 HIRES:

For more information contact:

Cuyahoga Co. Harry Conard: hconard@cuyahogacounty.us, (216) 443-7531

Cleveland Yvette Mosby: ymosby@city.cleveland.oh.us, (216) 664-4092