



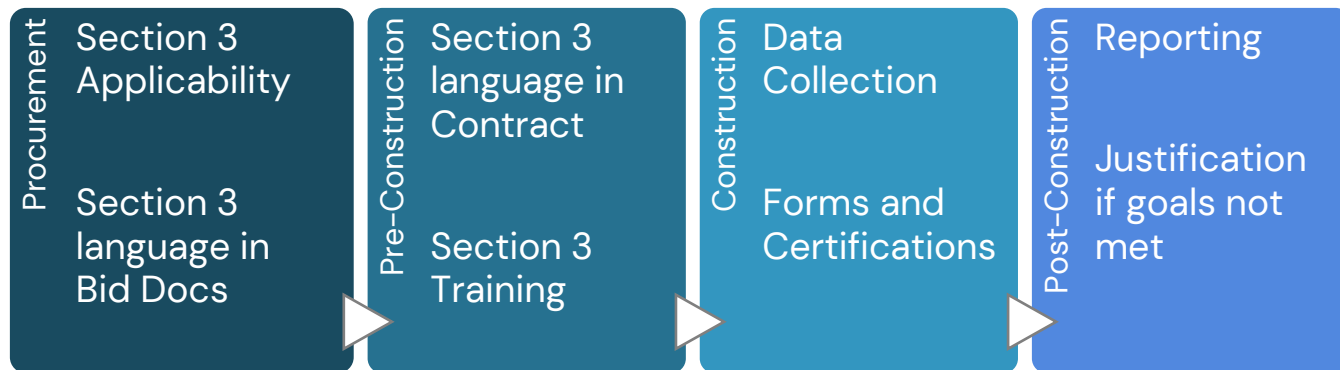
Tool 5-1 – Section 3 of the HCD Act

Section 3 of the HCD Act requires Grantees and subrecipients to, the greatest extent possible, provide training, employment, contracting, and other economic opportunities to:

- Low- and very low-income persons, especially recipients of government assistance for housing
- Businesses that provide economic opportunities to low- and very low-income persons

This applies to housing construction, housing rehabilitation, or other public construction projects with contracts valued at \$200,000 or more, regardless of how grant funds are spent. For additional details, refer to section 5.3 Economic Opportunities (Section 3) of the Grants Management Manual (GMM).

Grantees must perform different tasks during the following phases of Section 3 covered projects:



Procurement Phase

- Determine if the project triggers Section 3 requirements
- Insert Section 3 language and documents into Bid documents

Pre-Construction Phase

- Insert Section 3 language into the Contract
- Provide Section 3 training to contractors and subcontractors



Construction Phase

- Collect data on labor hours, including Section 3 and Targeted Section 3 worker hours
- Collect forms and other documents to certify Section 3 workers and businesses

Post-Construction Phase

- Report Section 3 accomplishments to HCD
- If applicable, provide written justification if Section 3 goals were not met