



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-2000

October 8, 2009

Dear Public Housing Authority Executive Director:

RE: Notice to Submit Form HUD-60002 on Section 3 Hiring and Contracting

We are writing to inform you that, according to HUD's Section 3 Annual Summary Reporting System, ***your agency has not submitted Form HUD-60002 for the 2008 reporting period.*** This form is required to document your efforts to hire low-income and very low-income individuals and contract with companies who hire them. Recipients that fail to submit Form HUD-60002 are in noncompliance with the Section 3 regulations. Failure to comply with the requirements of Section 3 may result in sanctions, including: debarment, suspension, or limited denial of participation in HUD programs.

Each year, the U.S. Department of Housing and Urban Development (HUD) awards billions of federal dollars for the rebuilding of distressed communities, administration of Public Housing Authorities, development of affordable housing units, and removal of dangerous hazards in homes. As you are aware, the completion of these projects typically results in numerous employment and contracting opportunities that fuel local economies across the country and create a multiplier effect for HUD financial assistance.

Section 3 of the Housing and Urban Development Act of 1968 (Section 3) represents the Department's policy for promoting new employment, training, and contracting opportunities created during the expenditure of covered HUD financial assistance to low- and very low-income residents (regardless of race and gender) in the communities where HUD funds are spent, and the businesses that substantially employ these persons.

The requirements of Section 3 apply to all Public Housing Authorities, regardless of size, with the exception of Section 8-only Housing Authorities. Covered Public and Indian Housing Assistance includes: Operating subsidies; Capital funds for Development and Modernization; HOPE VI Revitalization Grants, and Economic Stimulus Funding.

1. Implementing procedures to notify Section 3 residents and businesses about employment, training and contracting opportunities;
2. Notifying potential contractors about the requirements of Section 3;
3. Incorporating the Section 3 clause in covered solicitations and contracts;
4. Facilitating the training, employment, and award of contracts to Section 3 residents and business concerns as appropriate to meet the minimum numerical goals set forth at 24 CFR Part 135.30;

5. Obtaining the compliance of contractors and subcontractors;
6. Refraining from entering into contracts with contractors that have violated Section 3; and
7. Documenting actions taken by the agency to comply with the regulation.

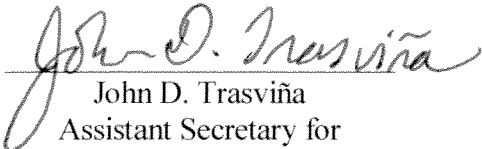
Public Housing Authorities are also required to submit Form HUD-60002 to the Office of Fair Housing and Equal Opportunity in Washington, DC annually. The report is to be submitted by January 10th of each year, and covers activities that were completed during the preceding calendar year. Agencies that receive more than one type of covered financial assistance are required to submit a separate report for each funding source.

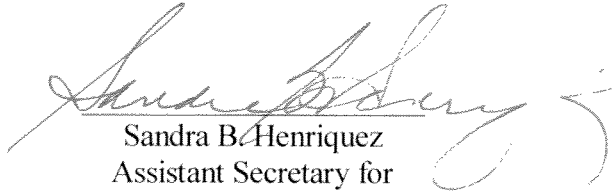
The Department uses HUD-60002 data to make Section 3 compliance determinations. In accordance with the regulations, the Department will consider agencies to be in compliance with the requirements of Section 3 if they meet the minimum numerical goals for employment and contracting opportunities specified at 24 CFR Part 135.30, absent evidence to the contrary. Recipients that have not met the minimum numerical goals during their annual reporting period bear the burden of demonstrating why it was not feasible to do so. Such explanations may describe impediments encountered despite actions taken and other relevant information that will allow the Department to make a compliance determination.

Unless your agency has already done so, please submit Form HUD-60002 for the 2008 reporting period electronically at: www.hud.gov/section3 no later than **November 30, 2009**, to prevent receiving an official finding of noncompliance by the Department.

If you believe that you have received this message in error or need technical assistance to complete Form HUD-60002, please refer to the attached document which contains contact information for HUD's Economic Opportunity Division. Thank you for your prompt attention to this matter and your continued commitment to low-income residents and businesses in your community.

Sincerely,


John D. Trasviña
Assistant Secretary for
Fair Housing and Equal Opportunity


Sandra B. Henriquez
Assistant Secretary for
Public and Indian Housing

Attachment

Economic Opportunity Division Technical Support Contact Information

General Economic Opportunity Division Office Address and Telephone Numbers	
U.S. Department of Housing and Urban Development Economic Opportunity Division 451 Seventh Street, SW Room 5232 Washington, DC 20410 section3@hud.gov (email inquiries) www.hud.gov/section3 (website)	202-708-3633 202-708-1286 (fax)
REGION AND STATES	CONTACT PERSON
Region I— Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont	Cassandra Parker 202-402-6977
Region II— New York and New Jersey, Puerto Rico	Peggy Williams 202-402-7065
Region III— Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, West Virginia	Dorothy Strong-Brown 202-402-5105
Region IV— Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee	Rafiq Munir 202-402-5860
Region V— Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin	Bruce Bailey 202-402-6249
Region VI— Arkansas, Louisiana, New Mexico, Oklahoma, and Texas	Cassandra Parker 202-402-6977
Region VII— Iowa, Kansas, Missouri, and Nebraska	Dorothy Strong-Brown 202-402-5105
Region VIII— Colorado, Montana, North Dakota, South Dakota, and Wyoming	Staci Gilliam Hampton 202-402-3468
Region IX— Arizona, California, Hawaii, and Nevada	Peggy Williams 202-402-7065
Region X— Alaska, Idaho, Oregon, and Washington	Staci Gilliam Hampton 202-402-3468