

Section 3 Information Sheet for Contractors/Businesses

What is Section 3?

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968 that helps foster local economic development, neighborhood economic improvement, and individual self-sufficiency. The Section 3 program requires that recipients of certain financial assistance, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low-income residents in connection with projects and activities in their neighborhoods.

Who are Section 3 residents?

Section 3 residents are:

- Public housing residents or
- Persons who live in the area where an assisted project is located and who have a household income that falls below income limits.

What is a Section 3 business concern?

A business that:

- Is 51 percent or more owned by Section 3 residents;
- Employs Section 3 residents for at least 30 percent of its full-time, permanent staff; or
- Provides evidence of a commitment to subcontract to Section 3 business concerns, 25 percent or more of the dollar amount of the awarded contract.

What types of economic opportunities should be made available under Section 3?

- Job training
- Employment
- Contracts

Examples of Opportunities include:

| | | |
|---|---|---|
| <ul style="list-style-type: none"> • Accounting • Architecture • Appliance repair • Bookkeeping • Bricklaying • Carpentry • Carpet Installation • Catering • Cement/Masonry • Computer/Information • Demolition • Drywall | <ul style="list-style-type: none"> • Electrical • Elevator Construction • Engineering • Fencing • Florists • Heating • Iron Works • Janitorial • Landscaping • Machine Operation • Manufacturing | <ul style="list-style-type: none"> • Marketing • Painting • Payroll Photography • Plastering • Plumbing • Printing Purchasing • Research • Surveying • Tile setting • Transportation • Word processing |
|---|---|---|

Who receives priority under Section 3?

For training and employment:

- Persons in public and assisted housing
- Persons in the area where the HUD financial assistance is spent
- Participants in HUD Youthbuild programs
- Homeless persons

For contracting:

- Businesses that meet the definition of a Section 3 business concern

How can businesses find Section 3 residents to work for them?

Businesses can recruit Section 3 residents in public housing developments and in the neighborhoods where the HUD assistance is being spent. Effective ways of informing residents about available training and job opportunities are:

- Contacting resident organizations, local community development and employment agencies
- Distributing flyers
- Posting signs
- Placing ads in local newspapers

Are recipients, contractors, and subcontractors required to provide long-term employment opportunities, not simply seasonal or temporary employment?

Recipients are required, to the greatest extent feasible, to provide all types of employment opportunities to low and very low-income persons, including permanent employment and long-term jobs.

Recipients and contractors are encouraged to have Section 3 residents make up at least 30 percent of their permanent, full-time staff.

A Section 3 resident who has been employed for 3 years may no longer be counted towards meeting the 30 percent requirement. This encourages recipients to continue hiring Section 3 residents when employment opportunities are available.

What if it appears an entity is not complying with Section 3?

There is a complaint process. Section 3 residents, businesses, or a representative for either may file a complaint if it seems a recipient is violating Section 3 requirements are being on a HUD-funded project.

Will HUD require compliance?

Yes. HUD monitors the performance of contractors, reviews annual reports from recipients, and investigates complaints. HUD also examines employment and contract records for evidence that recipients are training and employing Section 3 residents and awarding contracts to Section 3 businesses.

BIDDER'S SECTION 3 ESTIMATED NEW HIRES

NOTE: This form must be filled out by the contractor and is used to determine if any new hires will be needed as part of the project and if so, if any will be filled with Section 3 residents.

| Job Category | Total Estimated Positions Needed (for this project) | No. Positions Occupied by Permanent Employees (for this project) | Number of Positions Not Occupied (for this project) | Number of Positions to be Filled with Section 3 Residents (for this project) |
|--------------------------------|--|---|--|---|
| Officer/Supervisors | | | | |
| Professionals | | | | |
| Technical | | | | |
| Hsq. Sales/Rental Mgmt. | | | | |
| Office/Clerical | | | | |
| Service Workers | | | | |
| Others | | | | |
| TRADE: | | | | |
| Journeyman | | | | |
| Apprentices | | | | |
| Trainees | | | | |
| Others | | | | |

Section 3 Resident Definition:

Individual residing in a public housing project or within the non-metropolitan county in which the project is located and whose income does not exceed 80% of the higher of the median income, adjusted by family size, for the county of residence or the non-metropolitan area of the state.

Company
2020-22 BIS Sewer Phase V

Project Title
4-A-19-001

CDBG Grant Number

Name of Person Completing Form

Date

CONTRACTOR'S SECTION 3 NEW HIRES REPORT

(Note: This report must be submitted at the conclusion of construction and identify any new construction hires for the project and if any of those positions were filled with Section 3 residents.)

| Job Category | Total Positions Employed on the Project | No. Positions Occupied by Permanent Employees | Number of Positions Not Occupied | Number of Positions Filled with Section 3 Residents |
|--------------------------------|--|--|---|--|
| Officer/Supervisors | | | | |
| Professionals | | | | |
| Technical | | | | |
| Hsq. Sales/Rental Mgmt. | | | | |
| Office/Clerical | | | | |
| Service Workers | | | | |
| Others | | | | |
| TRADE: | | | | |
| Journeyman | | | | |
| Apprentices | | | | |
| Trainees | | | | |
| Others | | | | |
| TRADE: | | | | |
| Journeyman | | | | |
| Apprentices | | | | |
| Trainees | | | | |
| Others | | | | |

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Section 3 Business Self-Certification

BASIC INFORMATION

1. Company Name: _____

2. Company Address: _____

City _____ State _____ Zip _____ County _____

3. Telephone Number: _____ Fax Number: _____

Email address: _____

4. Contractor's License: Class A B C N/A License Number: _____

5. Business License _____ Number Federal ID Number _____

6. Type of Business: _____

TYPES OF SECTION 3 BUSINESS ENTERPRISES

Please check "Yes" or "No". If you answer "YES" to one or more of the following questions, you may designate your company as a Section 3 Business Enterprise.

1. 51% or more of your business is owned by a Section 3 residents*; or

Yes No

Attach list of Section 3 owners and income certifications

2. At least 30% of your full time employees include persons that are currently Section 3 residents*, or within three years of the date of first employment with the business concern were Section 3 residents; or

Yes No

Attach list of employees, Section 3 employees, and self certifications

3. You can provide evidence, as required, of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications in the above two paragraphs.

Yes No

Attach list of subcontracted businesses, types and amounts

VERIFICATION - *The company hereby agrees to provide, upon request, documents verifying the information provided on this form.*

I declare and affirm under penalty of law that the statements made herein are true and accurate to the best of my knowledge. I understand that falsifying information and incomplete statements will disqualify certification status.

Signature of Business Owner or Authorized Representative: _____

Signature: Date: _____

Attested by: Date: _____

***Section 3 resident is:** 1) a public housing resident; or 2) a low- or very low-income person residing in the metropolitan area or Non-metropolitan County in which the Section 3 covered assistance is expended.