

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. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulation, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

What is a Section 3 worker?

Section 3 workers are:

- Any worker who currently or when hired (within the past five years) is below documented to fit at least one of the below categories:
 - The worker's income for the previous or annualized calendar year is below the income limit established by HUD; or
 - The worker is employed by a Section 3 business concern
 - The worker is a YouthBuild participant

What is a Targeted Section 3 Worker

- A worker employed by a Section 3 business concern; or
- A worker who currently fits or when hired (within the past 5 years) is documented to fit at least one of the following categories:
 - Living within the service area or the neighborhood of the project, meaning; or
 - A YouthBuild participant

What is a Section 3 Business Concern?

A Section 3 Business Concern meets one of the following criteria:

- Is 51 percent or more owned and controlled by low- or very low-income persons;
- Over 75 percent of the labor hours performed for the business over the prior 3-month period were performed by Section 3 workers; or
- Is at least 51 percent owned and controlled by current public housing residents; residents who currently live in Section 8-assisted housing

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

- Job training
- Employment
- Contracts

Examples of Opportunities include:

- | | | |
|------------------------|-------------------------|-----------------------|
| • Accounting | • Electrical | • Marketing |
| • Architecture | • Elevator Construction | • Painting |
| • Appliance repair | • Engineering | • Payroll Photography |
| • Bookkeeping | • Fencing | • Plastering |
| • Bricklaying | • Florists | • Plumbing |
| • Carpentry | • Heating | • Printing Purchasing |
| • Carpet Installation | • Iron Works | • Research |
| • Catering | • Janitorial | • Surveying |
| • Cement/Masonry | • Landscaping | • Tile setting |
| • Computer/Information | • Machine | • Transportation |
| • Demolition | • Operation | • Word processing |
| • Drywall | • Manufacturing | |

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 workers 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.

Grantees and contractors are encouraged to have Section 3 workers make up at least 25 percent and targeted workers make up 5 percent of their permanent, full-time staff.

A Section 3 worker who has been employed for 5 years may no longer be counted towards meeting the 25 percent for section 3 and 5 percent for targeted section 3 worker requirements. This encourages recipients to continue hiring Section 3 and targeted Section 3 workers when employment opportunities are available.

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

There is a complaint process. Section 3 and targeted workers, business concerns, 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 workers and awarding contracts to Section 3 business concerns.

Section 3 Business Concern 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 workers*; or

Yes No

Attach list of Section 3 owners and income certifications

2. Over 75% of the labor hours over the previous 3-month period are performed by Section 3 workers; or

Yes No

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

3. At least 51% owned and controlled by current residents of public housing or Section 8 assisted housing.-

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 Worker and Targeted Section 3 Worker definitions can be found in the "Section 3 Definitions" document.**

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				

Section 3 Resident
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
 West End Neighborhood Demolition Project

Project Name
 4-CE-20-007

Project Number

Person Completing Form

Date

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
West End Neighborhood Demolition Project

Project Title
4-CE-20-007

CDBG Grant Number

Name of Person Completing Form

Date

