

SECTION 3

What is Section 3?

It is a means by which HUD fosters local economic development, neighborhood economic improvement, and individual self-sufficiency. Section 3 is the legal basis for providing jobs for residents and awarding contracts to businesses in areas receiving certain types of HUD financial assistance.

Under Section 3 of the HUD Act of 1968, wherever HUD financial assistance is expended for housing or community development, to the greatest extent feasible, economic opportunities will be given to Section 3 residents and businesses in that area.

Section 3 Policy

Congress established the Section 3 policy to guarantee that the employment and other economic opportunities created by Federal financial assistance for housing and community development programs should, if possible, be directed toward low- and very-low income persons, particularly those who are recipients of government assistance for housing.

Who are Section 3 residents?

Section 3 residents are:

Public housing residents

Low and very-low income persons who live in the metropolitan area or Non-metropolitan County where a HUD-assisted project for housing or community development is located.

Determining Income Levels

- Low income is defined as 80% or below the median income of that area
- Very low income is defined as 50% or below the median income of that area.
- Median incomes can be found using the [American Fact Finder](http://factfinder.census.gov) at <http://factfinder.census.gov>

What is a Section 3 business & what types of economic opportunities are available under Section 3?

A business:

- That is at least 51 percent or more owned by Section 3 residents,
- Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents, or
- That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to a Section 3 business concern.

Types of Opportunities:

- Job training
- Employment
- Contracts

Examples include:

ADMINISTRATIVE/ MANAGEMENT		SERVICES		CONSTRUCTION	
Accounting	Payroll	Appliance Repair	Florist	Architecture	Painting
Research	Bookkeeping	Marketing	Janitorial	Bricklaying	Plumbing
Purchasing	Word Processing	Carpet installation	Electrical	Carpentry	Demolition
Catering	Landscaping	Fencing	Heating	Cement/Masonry	Drywall
Printing	Manufacturing	Engineering	Ironworks	Machine Oper.	Tile Setting
Computer/Information		Elevator Const.		Surveying	Plastering
Transportation		Photography			

Who will award the economic opportunities?

Recipients of HUD financial assistance and their contractors and subcontractors are required to provide economic opportunities, to the greatest extent possible, consistent with existing Federal, State, and local laws and regulations.



Karen DuBois – Walton, Ph .D. Executive Director
Housing Authority of the City of New Haven
360 Orange Street, New Haven, CT 06511
Phone: 203.498.8800 Fax 203.497.851

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 expended
- Participants in HUD Youthbuild programs
- Homeless persons

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

Businesses can recruit in the neighborhood and public housing developments to inform residents about available training and job opportunities. Distributing flyers, posting signs, placing ads, and contacting resident organizations and local community development and employment agencies to locate potential workers are effective ways of acquiring jobs.

Are recipients, contractors and subcontractors required to provide long-term employment opportunities, and 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 seasonal and temporary employment, as well as long-term jobs.

Employment goals are based on "new hires", which are defined as full-time employees for permanent, temporary or seasonal employment opportunities. Recipients and contractors are encouraged to provide long-term employment. At least 30 percent of the permanent, full-time employees hired should be Section 3 residents. After a Section 3 employee has been employed for 3 years, the employee may no longer be counted as a Section 3 employee to meet the 30 percent requirement. This requires recipients to continue hiring Section 3 residents when employment opportunities are available.

How can businesses and low income persons find out more about Section 3?

Contact the HOUSING AUTHORITY OF THE CITY OF NEW HAVEN, 360 ORANGE STREET, NEW HAVEN, CT 06511 – SECTION 3 PROGRAM OFFICE, Ph: 203-498-8800 (x1033) or the Fair Housing and Equal Opportunity representative at the Hartford HUD Field Office.

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 complaints if they believe a violation of Section 3 requirements has occurred where a HUD-funded project is planned or underway. Complaints will be investigated; if appropriate, voluntary resolutions will be sought. A complaint that cannot be resolved voluntarily may result in an administrative hearing.

Will HUD require compliance?

Yes. HUD receives annual reports from recipients, monitors the performance of contractors and investigates complaints. HUD examines employment and contract records for evidence of actions taken to train and employ Section 3 residents and to award contracts to Section 3 businesses.

How can businesses or residents pursue an alleged violation of Section 3?

You can file a written complaint with the

Boston Regional Office of FHEO
U.S. Department of Housing and
Urban Development
Thomas P. O'Neill, Jr.
Federal Building
10 Causeway Street, Room 321
Boston, Massachusetts 02222-
1092
(617) 994-8300
1-800-827-5005
TTY (617) 565-5453 or mail it to:

The Assistant Secretary for Fair Housing and Equal Opportunity
Attn: Office of Economic Opportunity
U.S. Department of Housing and Urban Development
451 Seventh Street, S.W.,
Room 5100
Washington, D.C. 20410-2000

A written complaint should contain:

Name and address of the person filing the complaint
Name and address of subject of complaint (HUD recipient, contractor or subcontractor)
Description of acts or omissions in alleged violation of Section 3
Statement of corrective action sought i.e. training, employment or contracts