

Section 3 Facts

What is the purpose of Section 3?

The purpose of Section 3 of the Housing and Urban Development Act of 1968, as amended by Section 915 of the Housing and Community Development Act of 1992, is to “ensure that employment and other economic opportunities generated by certain HUD financial funding shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be directed toward low and very low-income persons, particularly those who are recipients of government funding for housing, and to Business Concerns which provide economic opportunities to low- and very low-income persons.”

What is a Section 3 Business?

- 51 percent or more of the business is owned by Section 3 residents
- At least 30 percent of its full time employees include persons that are currently Section 3 residents, or were Section 3 residents within three years of the first hire date.

Who is classified as a Section 3 worker or Trainee?

- Persons in public and assisted housing
- A low- or very low-income person residing in the metropolitan area or where the Section 3 covered assistance is expended.
- Households that make less than 80% Area Median Income (AMI)
- Participants in HUD Youth build programs
- Homeless persons

What does the term “Section 3 resident” mean?

- A public housing resident; or
- Low- or very low-income person residing in the metropolitan area or Non-Metropolitan County where the Section 3 covered assistance is expended.

What kind of jobs can you hire for a Section 3 worker or Trainee?

- Administrative – accounting, payroll, bookkeeping and word processing
- Construction – heating, painting, drywall, demolition, masonry and etc.
- Other Services – landscaping, transportation, printing, janitorial, carpet installation and etc.

What are New Hires classified as?

- Full-time employees for permanent, temporary or seasonal employment opportunities for any specific City related contract.

How are the terms “low-income” and very low-income determined?

Low- and very-low-household income limits are determined annually by HUD. These limits are typically established at 80 percent and 50 percent of the median income for each locality by household size or the number of people residing in one house. HUD income limits may be obtained from: <http://www.huduser.org/portal/datasets/il.html>