

WHAT YOU NEED TO KNOW ABOUT SECTION 3

What is Section 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968, as amended by the Housing and Community Development Act of 1992 (Section 3). 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 regulations, 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, identified as Section 3 workers or targeted Section 3 workers.

What is a "Section 3 Worker"?

A Section 3 worker is any worker who currently fits, or when hired within the past five years fit, at least **one** of the following categories, as documented:

1. The individual worker's income for the previous or annualized calendar year is below the income limit established by HUD; the Income limit for 2021 is \$47,350.
2. The worker is employed by a Section 3 business concern.
3. The worker is a YouthBuild participant.

What is a "Targeted Section 3 Worker"?

A Section 3 targeted worker for Public Housing Financial Assistance projects are workers who:

1. Are employed by a Section 3 business concern; or
2. Currently fits or when hired fit at least **one** of the following categories, as documented within the past five years:
 - *A resident of public housing or Section 8-assisted housing.
 - *A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or
 - *A YouthBuild participant.

A Section 3 targeted worker for Housing and Community Development Financial Assistance projects are workers who:

1. Are employed by a Section 3 business concern.
2. Currently fits or when hired fit least **one** of the following categories, as documented within the past five years:
 - *Living within the service area of the neighborhood of the project.
 - *A YouthBuild participant.

What is a Section 3 Business Concern?

A business concern meeting at least **one** of the following criteria, documented within the last six-month period:

1. It is at least 51 percent owned and controlled by low-or very low income persons;
2. Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
3. It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.

Additionally,

The business must be legally formed according to state law and be licensed in Virginia. Additional documentation may be requested to demonstrate the business has the capacity to perform the contract successfully under the terms and conditions of the proposed contract.

What types of Economic Opportunities may be available under Section 3?

1. Employment opportunities
2. Training opportunities
3. Business opportunities

Who will provide the Economic Opportunities?

Recipients of HUD financial assistance and their contractors and subcontractors are expected to develop a Section 3 Plan to assure that economic opportunities to the greatest extent feasible are provided to low and very low-income persons and to qualified Section 3 businesses.

A Section 3 Project:

Section 3 project means housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000. The threshold is \$100,000 where the assistance is from the Lead Hazard Control and Healthy Homes programs. The project is the site or sites together with any buildings and improvements located on the sites that are under common ownership, management, and financing.

What are Labor Hours:

The number of paid hours worked by persons on the project or by persons employed with funds that include public housing financial assistance (sample employee monthly tracker, included in packet).

What is a Low/Very Low-Income Person:

A worker's income is below the income limit established by HUD. These limits are typically established at 80 percent and 50 percent of the area median individual income.

What are Benchmarks: (must be met to be in compliance with Section 3)

Twenty-five (25) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's or other recipient's fiscal year are Section 3 workers. Also, five (5) percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance in the PHA's or other recipient's fiscal year are Targeted Section 3 workers. For Section 3 projects, the benchmarks are the same as for public housing financial assistance, but with regards to the project itself rather than the recipient's fiscal year.

What is YouthBuild:

YouthBuild is a community-based pre-apprenticeship program that provides job training and educational opportunities for at-risk youth ages 16-24 that have previously dropped out of high school.

For additional information contact:

Shauniqua Hooks
227 27th Street
P.O. Box 797
Newport News, VA 23607
shooks@nnrha.org (Email)
(757) 928-6171 (Phone)
(757) 928-7412 (Fax)

For youthbuild participant information contact:

Lisa P. Wornom-Zahraiddin, MS, CWDP
Wornom-zahraiddinlp@nnva.gov
757-926-8732 (Phone)
The City of Newport News
2400 Washington Avenue-10th Floor
Newport News, VA 23607

SECTION 3 BUSINESS SELF-CERTIFICATION FORM

(In compliance with Section 3 of the HUD Act of 1968)

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 Business Certification requirements. To count as a Section 3 Business your company/firm must meet one of the listed categories below. Each category will require additional documentation to support the election. You must provide that supporting documentation with this form to be properly and completely confirmed as a Section 3 business. If this form is submitted without the required supplemental data, your certification will not be processed.

Please fill this portion out and mark your election; additional documentation may be required;

Section 3 Business Category	Additional Required Data	Mark an "X" on your Election
<p>It is at least 51 percent owned and controlled by low-or very low-income persons;</p> <p>Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or</p>	<p>Proof of ownership showing all owners and their percentages and a completed Section 3 Individual Self-Certification form for all low-and very low-income owners.</p> <p>Provide the last 90 days full payrolls for the entire company, make a list of the names from the payrolls of the Section 3 workers, and provide a completed Section 3 Individual Self-Certification form for all low-and very low-income workers listed.</p>	
<p>It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.</p>	<p>Proof of ownership showing all owners and their percentages and a Section 3 Individual Self-Certification form for all public housing and/or Section 8 owners.</p>	

Are you a Section 3 Business: (Circle One) Yes No

Print Name:	Date Signed:
Company Name:	Title:
Address:	Email:
Telephone Number:	
Fax Number:	

Type of Business: (Circle One) Corporation Partnership Sole Proprietorship Other
Please List All Owners of The Business: _____
Please List the Percentages of Each Owner: _____

Contractor's License _____ Class "A" _____ Class "B" _____ Class "C"

Certifications _____ SWaM _____ DBE _____ Other _____

I hereby certify to the US Department of Housing and Urban Development (HUD) that all of the information on this form is true and correct. I attest under penalty of perjury that my business meets the elected definition and understand proof of this information may be requested. I understand, if found to be inaccurate, I may be disqualified to be classified as a certified Section 3 business.

Signature of Business Owner or Authorized Representative

Date

Notary Public Jurist: City/County of _____ in the Commonwealth of Virginia

The foregoing instrument was subscribed and sworn before me this _____ day of _____, 20____ by:

Notary (Please Print Name)

Notary Signature

This commission expires: _____

Notary Registration Number: _____

SECTION 3 INDIVIDUAL LOW-INCOME PERSON SELF-CERTIFICATION FORM

(In compliance with Section 3 of the HUD ACT of 1968)

The purpose of this form is to comply with Section 3 of the HUD Act of 1968 self-certification income requirements. To count as a Section 3 individual, any legal resident of the United States annual income must not exceed the HUD income limits for the year before they were hired, or, the individuals current year income annualized for the year you are being confirmed as low-income.

Printed Name: _____

Street Address (Not a PO Box) Apt# City State Zip

Phone #: _____ Email: _____

To qualify as a Section 3 Person, you must meet **one** of the standards on the left side box and your income not exceed the number in the right side box below,

<p>Check only one line below that describes your situation:</p> <p><input type="checkbox"/> I am a Public Housing Resident or Section 8 assists me with my rent.</p> <p><input type="checkbox"/> I was a Public Housing Resident or Section 8 assisted me with my rent. If so what year and where did you reside: _____</p> <p><input type="checkbox"/> I receive no HUD support, but I am low-income because my individual Income does not exceed \$47,350 and I live in the Hampton Roads Metropolitan area.</p> <p><input type="checkbox"/> Are you currently or have you ever been a YouthBuild participant; if so when and where: _____</p>	<p>My individual Income does not exceed:</p> <p align="center">\$47,350</p> <p align="center">(2021)</p>
<p>For additional comments:</p>	

I hereby certify to the US Department of Housing and Urban Development (HUD) that all of the information on this form is true and correct. I attest under penalty of perjury that my total income does not exceed the income that is shown above, and that proof of this information may be requested. I understand if found inaccurate, I may be disqualified as an applicant and/or a certified Section 3 individual. Finally, I authorize including my name on a list of Section 3 Residents seeking employment and to include my contact information so that contractors may contact me directly for any employment opportunities.

Signature

Date