
Section 3

An Economic Opportunity & Jobs Initiative



What is Section 3?

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (as amended), requires that economic opportunities generated by certain HUD financial assistance for housing (including Public and Indian Housing) and community development programs shall, to the greatest extent feasible, be given to **low and very low-income persons, particularly those who are recipients of government assistance for housing, and to businesses that provide economic opportunities for these persons.**

What projects are covered?

Section 3 applies to training, employment, contracting, and other economic opportunities arising in connection with HUD funded construction projects involving:

- Housing Construction
- Housing Rehabilitation
- Housing Reconstruction or Conversion
- Demolition
- Other public construction, i.e., roads, sewers, community centers, etc.

What is a Section 3 business?

A Section 3 business is:

- 51 percent or more owned by Section 3 residents; or
- At least 30 percent of the permanent, full-time employees are currently Section 3 residents or were within 3 years of the date of first employment with the business concern; or
- Provides evidence of a commitment to subcontract in excess of 25 percent of all subcontracts to Section 3 Business Concerns.

Who is a Section 3 resident?

A Section 3 resident means someone who:

- Lives in public housing; or
- Lives in the area where the project is located and who has a low or very low income. In Dane County, this means the family income in 2017 for a single person family must be less than \$46,700; or less than \$68,000 for a family of four.



What are the goals for Section 3 covered projects and assistance?

- 30% of new hires are Section 3 residents.
- 10% of construction contracts awarded to Section 3 business concerns.
- 3% of non-construction contracts awarded to Section 3 business concerns



How can Section 3 help my business?

Section 3 Businesses (including Contractors that commit to subcontracting in excess of 25% of the dollar award of subcontracts to Section 3 businesses) will benefit from:

- Preference when bidding on HUD funded community development and housing contracts;
- Notification of business opportunities;
- Greater exposure through listings on the City of Madison and Dane County directories.



For more information . . .

- To apply for Targeted Business certification:

Felicia Jones, Division Manager
Department of Civil Rights
City-County Building, Room 523
210 Martin Luther King, Jr. Blvd.
Madison, WI 53703
(608) 266-6510

- A complete Section 3 Guidebook including applications to be certified as a Section 3 Business &/or Section 3 Resident can be found online: www.cityofmadison.com/dcr/aaTBDir.cfm.

