

SECTION 3 QUICK SUMMARY

Hamilton County Community Development

WHAT IS SECTION 3?

Section 3 of the Housing and Urban Development Act of 1968 recognizes that HUD funding typically results in projects/activities that generate new employment, training, and contracting opportunities. When these opportunities are created, Section 3 requires that preference is provided to low- and very low-income residents of the local community (regardless of race and gender), and the businesses that substantially employ them, for new employment, training, and contracting opportunities resulting from the HUD-funded project.

SECTION 3 GOALS

1. 30 percent (30%) of the aggregate number of new hires shall be Section 3 Residents;
2. 10 percent (10%) of all covered construction contracts shall be awarded to Section 3 Business Concerns.
3. 3 percent (3%) of all covered non-construction contracts shall be awarded to Section 3 Business Concerns.

Efforts to meet these goals must be made to the greatest extent feasible and all efforts taken must be documented accordingly.

DEFINITIONS

Section 3 Resident

A public housing resident or an individual who resides in the metropolitan area in which the Section 3 covered assistance is expended and who is considered to be a low- (80% of AMI) to very low-income (50% of AMI) person. Persons must be certified as Section 3 Residents to count toward the goals listed above. Certification lasts for a period of 3 years.

Income Limits 2014

# in Household	1	2	3	4	5	6	7	8
80% AMI (gross income)	\$38,400	\$43,850	\$49,350	\$54,800	\$59,200	\$63,600	\$68,000	\$72,350

Section 3 Business Concern

- 1) 51 percent (51%) or more of the business is owned by Section 3 Residents; or
- 2) 30 percent (30%) of the business's permanent, full-time employees are certified Section 3 Residents; or
- 3) The business provides evidence that it will subcontract in excess of 25 percent (25%) of the dollar award of all subcontracts to be awarded to qualified Section 3 Business Concerns.

Certification lasts for a period of 3 years.

COMPLIANCE REQUIREMENTS*

All contracts greater than or equal to \$50,000 must incorporate the Section 3 Clause (verbatim) [see 24 CFR Part 135.38];

All recipients submitting bids/proposals greater than or equal to \$50,000 and all sub-grantees must submit a Section 3 Action Plan. This plan must include, at a minimum, the Certification of Intent to Comply, Checklist of efforts to comply with Section 3, and a Section 3 Summary Report which is to be submitted at the completion of the contract.

****Please refer to Hamilton County Community Development Section 3 Policies and Procedures for complete compliance requirements, forms, and detailed information. This document can be found online at:***

<http://www.hamiltoncountyohio.gov/commdev/v2/StabilizationProgram.asp>