

WHAT IS SECTION 3?

The purpose of Section 3 is to ensure that employment, training and contracting opportunities generated from the expenditure of certain HUD funds is directed to low and very low-income* persons in a project area, particularly those who receive federal housing assistance, and businesses that are owned by or substantially employ such persons.

WHY SHOULD A CONTRACTOR CERTIFY AS A SECTION 3 BUSINESS CONCERN?

- May increase the potential at winning certain federally funded contract work
- Exposure to larger firms that want to qualify for certain HUD funded contracts by utilizing smaller qualified companies
- Enhances exposure with state and federal governments as a qualified contractor
- Way to give back to their community, by training and hiring Section 3 residents which may lead them to self-sufficiency and economic stability

WHAT IS A SECTION 3 BUSINESS?

A Section 3 Business must meet one of the following:

- 51% or more of the prime contracting entity is owned by Section 3 Residents
- 30% or more of the Contracting entity's workforce (full-time employees) are Section 3 residents
- 25% or more of the Contract is subcontracted to Section 3 business(es)

WHAT IS A SECTION 3 RESIDENT?

A Section 3 Resident is:

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

WHAT ARE SECTION 3 BUSINESS PREFERENCES?

- When hiring and contracting for a project funded with certain federal dollars, low and very low-income persons residing in the project's community are given preference in job training, employment and contract opportunities.
- Similarly, businesses can be (pursuant to contracting jurisdiction's requirements) given preference when submitting a bid, if all other requirements are met and the Section 3 Business Concern has the ability and capacity to perform successfully under the terms and conditions of the proposed contract.
- Any bidder selected for a Section 3 covered project will be responsible for ensuring compliance with Section 3 requirements including, but not limited to, the hiring and contracting decisions made on the project.

HORNE CAN HELP.

- HORNE will help you determine if your business qualifies for Section 3 certification.
- HORNE will assist you in the self-certification process to become classified as a Section 3 Business.
- HORNE will aid in preparing your supporting documents to prove you qualify for Section 3 Business certification.
- HORNE will assist your business in being added to the applicable database(s) of Section 3 Businesses.
- HORNE will serve as your Section 3 Coordinator by preparing all reports due to the contracting jurisdiction, collecting subcontractors' reports and ensuring compliance for all subcontractors as required.