

# BUSINESS AND ECONOMIC INITIATIVES

## SECTION 3 QUESTIONS AND ANSWERS

### Section 3 Jobs for Residents:

Creating job training, economic opportunities, and self-sufficiency to businesses and residents of neighborhoods receiving U. S. Department of Housing and Urban Development (HUD) funding for housing and community development.

### What is Section 3?

It is means by which HUD fosters local economic development, neighborhood economic improvement, and individual self-sufficiency.

It is the legal basis for providing jobs for residents and awarding contracts to businesses in areas receiving certain types of HUD assistance.

According to Section 3 of the HUD Act of 1968, wherever HUD financial assistance is given for housing or community development, to the greatest extent feasible, economic opportunities will be provided to residents and businesses in that area.

### Section 3 Policy:

Congress established the Section 3 policy to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low and very-low income persons, particularly those who are recipients of government assistance for housing.

### Who Are Section 3 Residents?

Residents of public housing and low-income persons who live in the area in which a HUD-assisted project is located.

### What is a Section 3 Business?

It is a business that:

- Is owned by Section 3 residents or
- Employs Section 3 residents in full-time positions or
- Subcontracts with businesses which provide economic opportunities to low income persons.

**What Types of Economic Opportunities Are Available Under Section 3? Examples:**

Administrative/Management		
Accounting	Payroll	Secretarial
Bookkeeping	Purchasing	General Clerical
Property Management	Para-Professional	Consultants
Services		
Appliance Repair	Maintenance	Janitorial
Carpet Installation	Landscaping	Telemarketing
Laundry Maintenance & Cleaning	Printing	Mailing
Construction		
Demolition	Elevator Technician	Drywall
Fencing	Bricklaying	Carpentry
Plumbing	Painting	Heating
Surveying	Ironworks	Sprinkler Systems
Masonry/Cement	Plastering	Finishing
Electrical Technician	Tile setting	General Laborer

**Who Will Award The Economic Opportunities?**

Recipients of HUD financial assistance and their contractors and subcontractors are required to provide economic opportunities to the greatest extent feasible, consistent with existing Federal, State, and local laws and regulations.

**Who Receives Priority Under Section 3?**

For training and employment:

- Persons in public housing and assisted housing
- Persons in the neighborhood
- Participants in HUD Youthbuild programs
- Homeless persons

For contracting:

- Businesses which fit the definition of a Section 3 business.

**How Can Businesses and Low-Income Persons Find Out More About Section 3?**

Contact the Fair Housing and Equal Opportunity representative at your nearest HUD Field Office or contact the Associate Director of Business and Economic Initiatives if interested in finding out about Allegheny County Housing Authority's Program.

### **How Can Businesses Find Section 3 Residents To Work For Them?**

Businesses can contact the Allegheny County Housing Authority's Associate Director of Business and Economic Initiatives.

Businesses can also recruit in the neighborhood and public housing communities to advise residents of available training and employment opportunities. Distributing flyers, posting signs, placing ads, and contacting resident councils and various employment agencies to find potential workers are effective ways of acquiring people for jobs.

### **What Kinds of Economic Opportunities?**

- Job training
- Entrepreneurship Training
- Employment
- Contracts
- Job Readiness Training
- Referrals to higher education
- Networking

### **What If It Appears An Entity Is Not Complying With Section 3?**

There is a compliant procedure, Section 3 Residents and Business concerns may file informal complaints with Allegheny County Housing Authority's Associate Director of Business and Economic Initiatives if they think a violation of Section 3 requirements has occurred where a HUD-funded project is planned or underway. Complaints will be investigated; if appropriate, voluntary resolutions will be sought. A complaint that cannot be resolved voluntarily can result in it being submitted to HUD for review and resolution.

There is also a complaint procedure where Section 3 Residents and Business concerns may file formal complaints if they think a violation of Section 3 requirements has occurred where a HUD-funded project is planned or underway. Complaints will be investigated; if appropriate, voluntary resolutions will be sought. A complaint that cannot be resolved voluntarily can result in an administrative hearing and resolution.

### **Will HUD Require Compliance?**

Yes. HUD investigates complaints and monitors the performance of recipients and contractors. HUD examines employment and contract records for evidence of actions taken to train and employ Section 3 Residents and to award contracts to Section 3 Businesses.

### How Can Section 3 Businesses Or Residents Complain about a violation of Section 3 Requirements?

It is encouraged, as a first step, to contact the Section 3/MWDBE Coordinator directly for resolution at 412-402-2460.

However, they can file a complaint in writing to the local HUD Field Office

A written complaint should contain:

- Name and address of person filing the complaint
- Name and address of subject of complaint
- Description of acts or omissions in alleged violation of Section 3
- Statement of corrective actions sought