



# Shelby County Government

## Department of Housing

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**Mark H. Luttrell, Jr.**  
**Mayor**

### Memorandum

**To:** Shelby County Residents

**From:** Jim Vazquez, Administrator  
Division of Planning and Development

**Subject:** Section 3 Residents

Individuals residing within Shelby County are encouraged to review the information contained in the following materials to determine qualifications as a Section 3 resident.

Section 3 is a provision of the U.S. Housing and Urban Development (HUD) Act of 1968 that involves ensuring federal dollars received by local communities used for select projects include goals for hiring Section 3 residents. Shelby County residents who meet the HUD low- to very-low income household guidelines are considered Section 3.

Section 3 residents who meet the qualifications for open positions on select federally-funded projects will receive preference in the hiring process.

Please review the following information to determine if your business or non-profit organization qualifies as a Section 3 business.

For additional information about Section 3 and Section 3 businesses, please contact Mr. Alfred Garrett at 901-636-7105 or [Alfred.Garrett@memphistn.gov](mailto:Alfred.Garrett@memphistn.gov)

## SECTION 3 RESIDENTS Frequently Asked Questions

### 1. What is Section 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968, which recognizes that HUD funds are typically one of the largest sources of federal funding expended in communities through the form of grants, loans, entitlement allocations and other forms of financial assistance.

Section 3 is intended to ensure that when employment or contracting opportunities are generated because a covered project or activity necessitates the employment of additional persons or the awarding of contracts for work, to the greatest extent feasible preference must be given to low- and very low-income persons particularly those who are recipients of government assistance, AND to businesses that provide economic opportunities to low-to very-low persons.

### 2. What is Shelby County DPD's requirements regarding Section 3?

As a recipient of HUD financial assistance meeting the funding thresholds of Section 3, DPD is required to the greatest extent feasible to comply with all provisions of 24 CFR Part 135. This includes providing preference to Section 3 residents on select projects. Preference to Section 3 residents means that Shelby County DPD and DPD award recipients establish procedures to direct – “to the greatest extent feasible” – all employment opportunities to Section 3 residents.

### 3. Are there goals established by DPD to meet the federal requirements of Section 3?

Yes, the following goals are established for projects governed by Section 3:

#### **Section 3 Businesses (projects valued at \$100,000 or more)**

To the greatest extent feasible, at least ten percent (10%) of the total dollar amount of a construction contract shall be awarded to Section 3 businesses.

To the greatest extent feasible, at least three percent (3%) of the total dollar amount of a non-construction contract shall be awarded to Section 3 Businesses.

#### **Section 3 Residents (applies to all projects)**

Thirty percent (30%) of new positions generated during a one-year period must be filled “to the greatest extent feasible” with low – to very low- income residents.

Employment goals are based on new hires, which are defined as full-time employees for permanent, temporary, or seasonal employment opportunities.

### 4. What does the term Section 3 resident mean?

A “Section 3 resident” is:

- A public housing resident; or

- A low- or very low-income person residing in the metropolitan area or non-metropolitan county in which the Section 3 covered assistance is expended.

Residents that qualify as Section 3 will be included on a list to receive preference in the hiring process for new positions on select federally-funded projects.

#### **5. How is “low-income” determined?**

The term “low-income” is used in the Section 3 regulation to include both low- and very low-income individuals. Local income levels can be obtained online at: <http://www.huduser.org/DATASETS/il.html>

#### **6. How is “Metropolitan area” and “Non-metropolitan County” defined?**

Metropolitan area means a metropolitan statistical area (MSA), as established by the Office of Management and Budget. Non-metropolitan County means any county outside of a metropolitan area.

#### **7. How does Section 3 differ from the Minority Business Enterprise/Women Business Enterprise programs?**

Section 3 is both race and gender neutral. The preferences provided under this regulation are based on income-level and location. The Section 3 regulations were designed to encourage recipients of HUD funding to direct new employment and contracting opportunities to low-income residents, and the businesses that employ these persons, within their community regardless of race and/or gender.

#### **8. How may a resident be granted Section 3 status with Shelby County DPD for select projects governed by Section 3.**

**An individual may be given consideration as a Section 3 resident by completing a Section 3 Resident Certification Form and a Section 3 Resident Profile Form. All documents will be reviewed by the Department of Housing. Confirmation of Section 3 status will be provided in writing.**

#### **9. How may Section 3 Resident Certification Forms and Section 3 Resident Profiles be obtained?**

Section 3 forms may be received by contacting:

Alfred Garrett  
Shelby County Office of Resilience  
125 N. Main Street, Room 443  
Memphis, TN 38103  
Phone: (901) 636-7105  
Fax: (901) 636-6603  
Email: [Alfred.Garrett@memphistn.gov](mailto:Alfred.Garrett@memphistn.gov)

#### **10. Are Section 3 residents guaranteed employment opportunities under Section 3?**

No. Section 3 residents must demonstrate that they meet the qualifications required for new employment opportunities.

## SECTION 3 RESIDENTS Frequently Asked Questions

### Information for Organizations Referring Residents for Section 3 Consideration

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Shelby County's Division of Planning and Development (DPD) welcomes referrals from organizations that assist residents with vocational training, job placement, and other support services.

#### **1. How may an organization refer a resident for Section 3 consideration?**

An organization may provide a Section 3 Resident Certification Form and a Section 3 Resident Profile Form to individuals believed to meet the criteria for Section 3 status. The referring organization is asked to collect the required forms, ensure that all line items are complete and submit the forms to the Department of Housing.

All documents will be reviewed by the Department of Housing. Confirmation of Section 3 status will be provided in writing to the resident and the referring organization. All residents that qualify as Section 3 will be included on a list to receive preference in the hiring process for new positions on select federally-funded projects.

#### **2. How may an organization obtain Section 3 Resident Certification Forms and Section 3 Resident Profile Forms?**

Section 3 forms may be received by contacting:

Alfred Garrett  
Shelby County Office of Resilience  
125 N. Main Street, Room 443  
Memphis, TN 38103  
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Referring organizations may complete the line item on the Section 3 Resident Profile Form requesting the name of the referring organization prior to distribution.

#### **3. What happens if more than one organization refers the same resident?**

Two or more organizations referring the same resident will not impact the review of the documents to determine Section 3 status. Confirmation of a resident's Section 3 status will be provided to the resident and the referring organizations. Section 3 residents who meet the qualifications for open positions on select federally-funded projects will receive preference in the hiring process.

# Understanding Section 3

Section 3 is a Local Jobs and Contracting Initiative Utilizing Federal Housing Grant Funds.

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## What is Section 3?

Section 3 is a HUD requirement designed to ensure that the HUD funds invested in housing and community development activities provide employment opportunities for low income people.

HUD's regulations state that "to the greatest extent feasible," businesses and employers working on HUD-funded projects must make a good faith effort to train and employ low-to very low-income individuals in the area (called "Section 3 residents") and also to contract with business identified as Section 3.

In summary, the obligations of Section 3 are:

1. Provide training for Section 3 residents, and report on the outreach and training undertaken.
2. To the greatest extent feasible hire and train Section 3 residents, and report on employees and new hires.
3. To the greatest extent feasible contract with Section 3 businesses, and report on contracts and subcontracts.

## **Contracting Obligations: Applies to projects valued at \$100,000 or more**

Section 3 requires that to the greatest extent feasible award recipients fulfill the following obligations:

- Meet HUD's contracting requirement (the "minimum numerical target for contracting") that Section 3 businesses receive at least 10% of the building trade contracts for the project, and at least 3% of the total amount for all non-building trade contracts.
- "To the greatest extent feasible" contact with Section 3 business concerns identified as
  - 51 percent or more owned by Section 3 residents; or
  - At least 30 percent of its full-time employees include persons that are currently Section 3 residents, or were Section 3 residents within 3 years of the dated of first hire; or
  - Provides evidence, as required, of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontractors to businesses that meet one of the qualifications above.

## **Hiring Obligations: Applies to all Projects**

Section 3 requires that to the greatest extent feasible award recipients fulfill the following obligations when new employees are hired:

- Meet HUD’s hiring requirement (the “minimum numerical target for training and employment”) that 30% of new hires be Section 3 individuals
- “To the greatest extent feasible” provide preference to hire area residents who are:
  - Low- to very low- income residents of the housing development or developments in which the HUD funds shall be expended; or
  - Low- to very low- income residents of other housing developments managed by the local Millington Housing Authority or the Memphis Housing Authority; or
  - Participants in HUD Youthbuild Programs; or
  - All other residents (including Section 8 recipients) of the Memphis Metropolitan Statistical Area who meet the low-to very low-income guidelines for Section 3 preference.

# Section 3 Resident Profile

Shelby County Division of Planning and Development

Page 1 of 2

This document is to be completed and submitted along with the Section 3 Resident Certification Form to the Shelby County Department of Housing.

PLEASE PRINT

Name \_\_\_\_\_  
Last First Middle Initial

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone ( ) \_\_\_\_\_ Alternate Telephone ( ) \_\_\_\_\_

Email Address \_\_\_\_\_

Are you a Public Housing resident? \_\_ Yes \_\_ No If yes, which public housing location? \_\_\_\_\_

If under 18, please list your age: \_\_\_\_\_

Employment Desired: \_\_\_\_\_ Full-time \_\_\_\_\_ Part-time \_\_\_\_\_ Full-or part- time

How many hours a week are you available to work? \_\_\_\_\_ Date available for work \_\_\_\_\_

If you were referred to complete this form by a training or job placement organization, please list the name of the organization.

Referring Organization \_\_\_\_\_

Type of School	Name of School	Completed Yes or No	Area of Study or Training
High School			
College			
Business or Trade School			
Professional School			

# Section 3 Resident Profile

List any construction industry related skill and/or experience you have:

Yes/No	Skill/Experience	Yes/No	Skill/Experience	Yes/No	Skill/Experience
	Masonry		Framing		Concrete Finishing
	Plumbing		Masonry Restoration		Heavy Equipment
	Demolition		General Labor		Sheet Metal Work
	Site Clean-up		Roofing		Ironworker
	Painting		Drywall Finishing	Other:	
	Bricklayer		Truck Driver	Other:	
	Tile Setter		HVAC	Other:	
	Carpentry		Electrical	Other:	

Have you ever participated in a HUD Youthbuild Program? \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, when and where? \_\_\_\_\_

What training did you receive in the HUD Youthbuild program? \_\_\_\_\_

Do you have a valid driver's license? \_\_\_\_\_ Yes \_\_\_\_\_ No

Have you ever been convicted of a felony? \_\_\_\_\_ Yes \_\_\_\_\_ No

If yes, please explain. \_\_\_\_\_

I certify that all information on this form is accurate and complete to the best of my knowledge.

I understand that this is **not a job application nor confirmation of a job offer** and that by completing this form, I am only providing information and expressing interest in economic opportunities available to Section 3 residents.

Signature \_\_\_\_\_

Date \_\_\_\_\_

# Section 3 Resident Certification Form

## Shelby County Division of Planning and Development

This form is to be completed by residents seeking Section 3 status and the preference in training and employment or by new employees working on Section 3 covered projects.

### Eligibility

A resident seeking Section 3 status shall submit evidence to the recipient contractor or subcontractor that the person is a Section 3 resident, as defined in Section 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance or evidence of participation in a public assistance program.)

- All residents of public housing developments of the Memphis Housing Authority or Millington Housing Authority qualify as Section 3 residents.
- All individuals residing in all municipal and unincorporated areas of Shelby County, Tennessee who meet the low-to-very low-income limits set forth below qualify as Section 3 status.
- A photo identification card and proof of current residency is required.

<b>2018 ANNUAL HOUSEHOLD INCOME</b>				
Select the statement that represents your household size and from that statement check the appropriate annual income level for your household, as verified by Federal Income Tax Returns, W-2s, Paycheck Stubs or other documents.				
	Low – Very Low Income Status		Non-Low Income Status	
My household size is 1 and my annual income was	___	\$35,950 or Less	___	More than \$35,950
My household size is 2 and my annual income was	___	\$41,100 or Less	___	More than \$41,100
My household size is 3 and my annual income was	___	\$46,250 or Less	___	More than \$46,250
My household size is 4 and my annual income was	___	\$51,350 or Less	___	More than \$51,350
My household size is 5 and my annual income was	___	\$55,500 or Less	___	More than \$55,500
My household size is 6 and my annual income was	___	\$59,600 or Less	___	More than \$59,600
My household size is 7 and my annual income was	___	\$63,700 or Less	___	More than \$63,700
My household size is 8 and my annual income was	___	\$67,800 or Less	___	More than \$67,800

### Certification:

I certify that the information provided is true and correct. I also agree that the information contained in this survey may be shared with other agencies in order to verify the eligibility or ineligibility of this project if necessary. I understand that anyone who fraudulently covers up a material fact or who knowingly gives false information required for eligibility determination is subject to prosecution under applicable criminal law.

Print Name \_\_\_\_\_

My permanent address is: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_