



HUD/City of New Orleans Section 3 Program: Participation and Compliance

City of New Orleans
Office of Community Development
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What is Section 3?

Section 3 of the Housing and Urban Development Act of 1968

- Mandates that, to the greatest extent feasible, economic opportunities resulting from HUD funding go to local, low-income residents
- Economic opportunities include contracting, subcontracting, and employment opportunities on HUD funded construction projects
- HUD defines who qualifies as a Section 3 Resident and what businesses are Section 3 Business Concerns

Section 3 Business Concerns

How does a business qualify?

- A business can be a Section 3 Business Concern by meeting at least one of the following criteria:
 - 51% or more of business ownership are Section 3 Residents
 - At least 30% of full-time employees of the business are Section 3 Residents
 - Provide evidence of a commitment to subcontract more than 25% of subcontracting dollars to Section 3 Business Concerns

Section 3 Business Concerns

How is Section 3 different from DBE?

- Section 3 is based on income-level and geographical location
- Section 3 was designed to be both race and gender neutral
- Section 3 Regulations encourage economic opportunities to be directed towards local, low-income residents regardless of race and/or gender

Section 3 Business Concerns

What are the benefits of becoming a Certified Section 3 Business Concern?

- Section 3 regulations require that contracting preference be given to Certified Section 3 Business Concerns on Section 3 covered projects
- All recipients of HUD assistance over \$200,000 for construction activities are required to meet certain contracting goals, as are contractors over \$100,000
 - 10% of all construction contracting dollars
 - 3% of all non-construction contracting dollars

Section 3 Residents

How does an individual qualify for Section 3 Certification?

- Local Residents qualify for Section 3 certification if they meet HUD's income-level requirements:

Household Size	Year 2018	Year 2017	Year 2016
1 Person	\$36,750 or below	\$35,500 or below	\$33,600 or below
2 People	\$42,000 or below	\$40,550 or below	\$38,400 or below
3 People	\$47,250 or below	\$45,600 or below	\$43,200 or below
4 People	\$52,500 or below	\$50,650 or below	\$48,000 or below
5 People	\$56,700 or below	\$54,750 or below	\$51,850 or below
6 People	\$60,900 or below	\$58,800 or below	\$55,700 or below
7 People	\$65,100 or below	\$62,850 or below	\$59,550 or below
8 People	\$69,300 or below	\$66,900 or below	\$63,400 or below

Section 3 Residents

What are the benefits for residents who become certified?

- Certified Section 3 Residents receive preference for hiring and training opportunities on Section 3 covered projects
- All HUD recipients over \$200,000 and contractors with contracts over \$100,000 are required to meet certain hiring goals
 - 30% of all new hires on a project must be Certified Section 3 Residents

Section 3 Certification

What is the process for getting myself or my business certified with the City of New Orleans?

- Becoming a Certified Section 3 Resident or Business Concern is an easy process.
- Simply visit our website: <https://nola.gov/community-development/section-3/>
- You will find electronic forms that can be submitted to LaborCompliance@nola.gov

Section 3 Opportunities

What kind of contracts or jobs are available?

- Professional Services

- Design/engineering
- Environmental
- Testing

- Administrative

- Accounting
- Payroll
- Computer/information

- Construction trades

- Electric
- Masonry
- Carpentry
- Demolition
- Painting
- Plumbing

- General labor

- Landscaping

Upcoming Section 3 Covered Projects

What projects are coming soon that Section 3 preference will be applied to?

- National Disaster Resiliency
- NOFA 2018 Affordable Housing Projects (HOME & CDBG)
- Lafitte Greenway Clubhouse, Behrman Park Natatorium (D-CDBG)
- For more information, visit the Office of Community Development online: <http://www.nola.gov/community-development/>
- All Open City Bids can be viewed online at <http://www.purchasing.cityofno.com>



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