



A C WHARTON, JR. - Mayor
GEORGE M. LITTLE - Chief Administrative Officer
DIVISION OF HOUSING & COMMUNITY DEVELOPMENT
ROBERT LIPSCOMB - Director
Debbie Singleton, Administrator, Compliance and Reporting

MEMORANDUM

TO: Memphis City and Shelby County Residents

FROM: Patrick Smith, Interim Administrator of Compliance *PS*

SUBJECT: Section 3 Residents

Individuals residing in the city of Memphis or Shelby County are encouraged to review the information contained in the following materials to determine qualification 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 for select projects include goals for hiring Section 3 residents. Memphis or Shelby County residents who meet the HUD low- to very-low household income 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 you qualify as a Section 3 resident.

For additional information about Section 3 and Section 3 residents, please contact Michael Sicuro at 576-7415 or Claude.Sicuro@memphistn.gov.



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City of Memphis, Division of Housing and Community Development

SECTION 3 RESIDENTS Frequently Asked Questions (FAQs)

What is Section 3?

Section 3 is a provision of the Housing and Urban Development (HUD) 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, 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-income persons.

What are the City of Memphis, Division of Housing and Community Development's (HCD) requirements regarding Section 3?

As a recipient of HUD financial assistance meeting the funding guidelines of Section 3, HCD is required 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 HCD and HCD award recipients' establish procedures to direct – to the greatest extent feasible – all employment opportunities to Section 3 residents.

Are there goals established by HCD to meet the federal requirements of Section 3?

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

Section 3 Businesses (applies to projects valued at \$100,000 or more)

At least ten percent (10%) of the total dollar amount of a construction contract shall be awarded to Section 3 businesses.

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 shall be filled with Section 3 residents.

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

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.

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>.

What does “metropolitan area” and “non-metropolitan county” mean?

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

How does Section 3 differ from programs focusing on minorities or women?

Race and gender are not factors in determining Section 3 status. 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- and very-low income residents, and the businesses that employ these persons, within their community regardless of race and/or gender.

How may a resident be granted Section 3 status with the City of Memphis, Division of Housing and Community Development?

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 Compliance Department. Confirmation of Section 3 status will be provided in writing.

How may Section 3 Resident Certification Forms and Section 3 Resident Profile Forms be obtained?

Section 3 forms may be received by contacting:

Compliance Department – Section 3
City of Memphis, Division of Housing and Community Development
701 North Main Street
Memphis, TN 38107
Phone: (901) 576-7415
Fax: (901) 576-7476

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.



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City of Memphis, Division of Housing and Community Development

SECTION 3 RESIDENTS Frequently Asked Questions (FAQs)

Information for Organizations Referring Residents for Section 3 Consideration

The City of Memphis, Division of Housing and Community Development (HCD) welcomes referrals from organizations that assist residents with vocational training, job placement and other support services.

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 HCD Compliance Department.

All documents will be reviewed by the Compliance Department. 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.

How may an organization obtain Section 3 Resident Certification Forms and Section 3 Resident Profile Forms?

Section 3 forms may be received by contacting:

Compliance Department – Section 3
City of Memphis, Division of Housing and Community Development
701 North Main Street
Memphis, TN 38107
Phone: (901) 576-7415
Fax: (901) 576-7476

Referring organizations may complete the line item on the Section 3 Resident Profile Form requesting the name of the referring organization prior to distribution.

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 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

A LOCAL JOBS AND CONTRACTING INITIATIVE

CITY OF MEMPHIS, DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT

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 businesses 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 award recipients fulfill the following obligations:

- Meet HUD's contracting requirement (the "minimum numerical target for contracting") that Section 3 businesses receive least 10% of the building trades contracts for the project, and at least 3% of the total amount for all non-building trade contracts.
- "To greatest extent feasible" contract 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 three years of the date 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 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 greatest extent feasible” provide preference to hire area residents:
 - ▷ 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 Memphis Housing Authority; or
 - ▷ Participants in HUD Youthbuild program; or
 - ▷ All other residents (including Section 8 recipients) of the City of Memphis or Shelby County who meet the low- to very low-income guidelines for Section 3 preference

Section 3 Resident Certification Form

CITY OF MEMPHIS, DIVISION OF HOUSING AND COMMUNITY 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 qualify as Section 3 residents.
- All individuals residing in the City of Memphis, Shelby County, Tennessee who meet the low- to very low-income limits set forth below qualify for Section 3 status.
- A photo identification card and proof of current residency is required.

2014 ANNUAL HOUSEHOLD INCOME

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 to Very Low-Income Status			
My household size is 1 and my annual household income was	___	\$ 31,750 or less	___	More than \$ 31,750
My household size is 2 and my annual household income was	___	\$ 36,300 or less	___	More than \$ 36,300
My household size is 3 and my annual household income was	___	\$ 40,850 or less	___	More than \$ 40,850
My household size is 4 and my annual household income was	___	\$ 45,350 or less	___	More than \$ 45,350
My household size is 5 and my annual household income was	___	\$ 49,000 or less	___	More than \$ 49,000
My household size is 6 and my annual household income was	___	\$ 52,650 or less	___	More than \$ 52,650
My household size is 7 and my annual household income was	___	\$ 56,250 or less	___	More than \$ 56,250
My household size is 8+ and my annual household income was	___	\$ 59,900 or less	___	More than \$ 59,900

*Household income based on HUD FY2014 Income Limits effective Dec. 18, 2013.

I, _____, am a legal resident of _____
and ___ meet ___ do not meet the income eligibility guidelines for a low- or very-low-income person as published and identified above.

My permanent address is: _____

Signature _____

Print Name _____ Date _____

Section 3 Resident Profile

CITY OF MEMPHIS, DIVISION OF HOUSING AND COMMUNITY DEVELOPMENT

This document is to be completed and submitted along with the Section 3 Resident Certification Form to the City of Memphis, Housing and Community Development Compliance Department.

PLEASE PRINT

Name _____
Last First Middle Initial

Address _____ City _____ ST _____ Zip _____

Telephone () _____ Alternate Telephone () _____

Email Address _____

Are you a public housing resident? ____ Yes ____ No If yes, which public housing site? _____

If under 18, please list 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. _____

Type of School	Name of School	Completed Y or N	Areas of Study or Training
High School			
College			
Business or Trade School			
Professional School			

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

Masonry		Carpentry		HVAC
Plumbing		Framing		Electrical
Demolition		Masonry Restoration		Concrete Finishing
Site Clean-Up		General Laborer		Heavy Equipment
Painting		Roofing		Sheet Metal Work
Bricklayer		Drywall Finishing		Ironworker
Tile Setter		Truck Driver	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 _____