SECTION 3: CONNECTING LOW-INCOME RESIDENTS WITH OPPORTUNITY.

"Section 3 is about giving folks the **opportunity** to obtain a job and help strengthen their own **neighborhood.**"

–Secretary Julián Castro

Every year, HUD funds create thousands of jobs across the country that range from construction to professional services like accounting or engineering. Section 3 of the Housing and Urban Development Act of 1968 ensures that HUD-funded jobs, training and contracts are provided to local low-income residents, particularly those who reside in public housing and businesses that employ them. Section 3 helps foster local economic development, neighborhood improvement, and individual self-sufficiency.

Section 3 by the Numbers

From 2012 to 2015, the Section 3 program led to:

110,500

Jobs for new Section 3 employees and trainees

$4.8 billion

In contracts awarded to Section 3 businesses, representing 13% of all contracts covered by Section 3

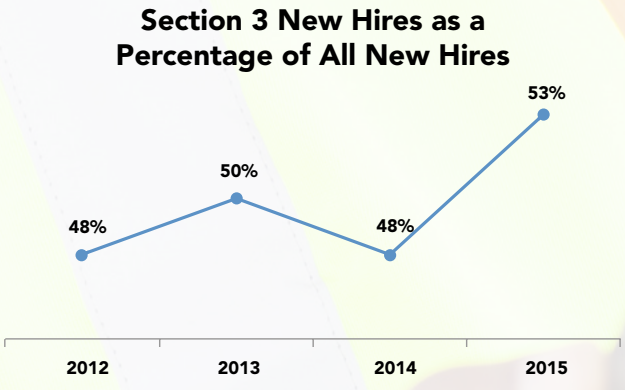
26,000

Businesses being awarded contracts

All figures are based on agency reporting as of April 2016.

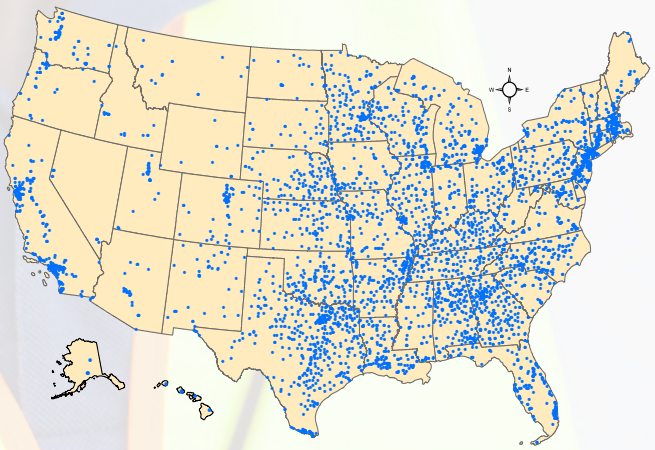
Growing Influence

Through Section 3, agencies aim for 30% of all new hires that result from HUD funding to be low-income. Many agencies have far exceeded this goal, and overall, 53% of the new hires from HUD-funded contracts in 2015 were Section 3 residents. By making it easier for agencies to find Section 3 contractors through the national Section 3 Business Registry, HUD seeks to increase the portion of new jobs going to low-income residents.



Section 3's Reach

5,200 agencies, entitlements, and other HUD grantees in all 50 states, 5 U.S. territories, and the District of Columbia are responsible for meeting Section 3 requirements.



Each dot represents a Section 3 agency. U.S. territories not pictured.

"[Section 3] gave me connections to people that helped boost my income."

–Section 3 resident and employee

Section 3 in Focus - Youthbuild in Denver

Forging Partnerships

In June 2014, HUD entered into a formal partnership with the U.S. Department of Labor and the Youthbuild program to encourage public housing authorities to create economic and educational opportunities for their young adult residents. Under the agreement, Youthbuild participants are given a hiring priority for contractors that receive HUD-funded contracts and are subject to Section 3 program requirements.

Youthbuild in Denver

Since 2006, the Denver Housing Authority (DHA) has partnered with Mile High Youth Corps' (MHYC) Youthbuild Program to provide Section 3 job training and education opportunities to at-risk Denver youth.

Youthbuild engages low-income, out-of-school young adults between the ages of 18 and 24 in up to six months of service. "Youthbuilders" participate in all aspects of construction, from laying a foundation to electrical wiring and other specialized projects. In addition, 50% of each participant's time is spent in GED courses and job readiness training.

Youthbuilders from DHA's program building low-income housing.

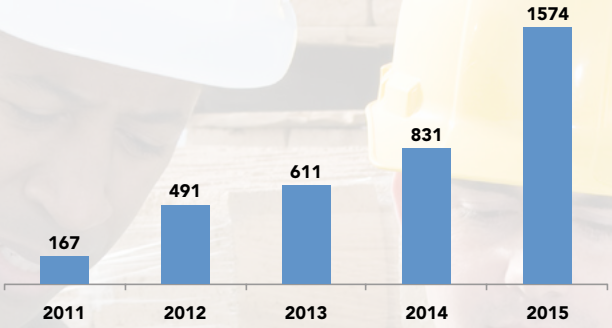
As a result of DHA's program, from 2007-2015:

- 267 MHYC YouthBuild participants have served on a DHA construction site
- More than 91,000 AmeriCorps service hours have been completed
- 135 participants have earned GEDs
- 205 participants have earned a construction training certification
- Participants built 830 new affordable housing units

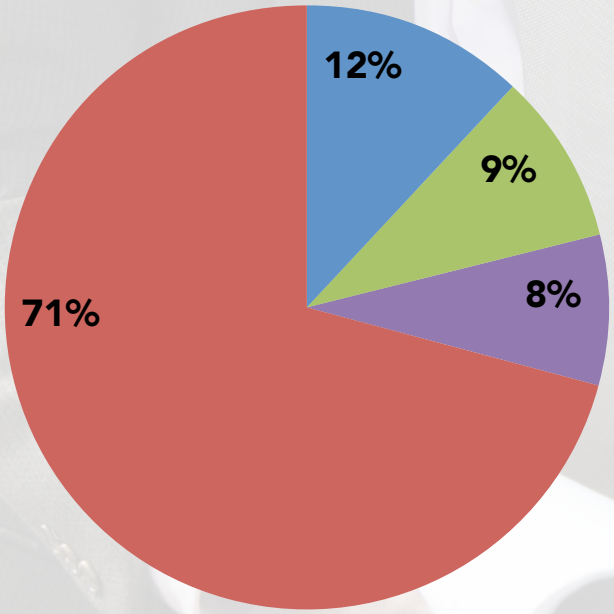
Section 3 Business Registry

In March 2015, HUD expanded the Section 3 Business Registry from a 5-city pilot to a nationwide resource. The registry allows Section 3-eligible businesses to enter their information into a public database. The expanded registry also allows public housing authorities and other government agencies to identify Section 3 businesses for HUD-funded contracts and connects job seekers with potential employers. Since the expansion in 2015, the number of registered businesses has nearly doubled, with at least one registered business in 48 states, 3 U.S. territories, and the District of Columbia. To register a Section 3 business or search the database, visit www.hud.gov/sec3biz.

Total Number of Registered Businesses



Registered Businesses by Type



- Construction and Facility Maintenance
- Administrative, Professional, and Other Services
- Various
- Landscaping and Environmental Services

Section 3 Success

High Performing Section 3 Agencies

Agency	Total Section 3 Contracts	Section 3 New Hires	% of New Hires
Chicago Housing Authority	$469,809,750	189	52%
Newark Housing Authority	$116,167,513	136	60%
Housing Authority of New Orleans	$75,763,695	255	42%
Housing Authority of the County of Los Angeles	$45,477,302	386	57%
San Antonio Housing Authority	$34,398,270	346	53%
City of Miami	$33,386,551	117	70%

Cycle of Opportunity – New Orleans

Jocquelyn Marshall in the Harmony Oaks community, a former public housing project that was redeveloped into a mixed-income community. A former public housing resident, Ms. Marshall is now a market rate tenant and is a Section 3 contractor for the Housing Authority of New Orleans.

Section 3 Success Comes Full Circle

From a public housing resident to a small business owner employing Section 3 residents, Jocquelyn Marshall has shown how Section 3 can serve as a stepping stone for economic opportunity. Over a decade ago, Ms. Marshall took advantage of a Section 3 opportunity through the Housing Authority of New Orleans. The valuable skills and experience she gained through this position led to a promotion and ultimately gave her the personal growth and savings required to start her own small business. She is now a registered Section 3 business owner, bringing economic opportunity to other low-income residents.

Program Improvement Leads to Resident Success in Milwaukee

Program Improvement

Following a HUD compliance review citing needed improvements, the Housing Authority of the City of Milwaukee (HACM) created and implemented a roadmap to become a high-performing Section 3 agency. HACM focused on improving their residents' access to jobs by developing the Section 3 Resident Registry, a searchable online database for firms to find job-seeking public housing residents, housing choice voucher program participants, and other local low-income residents. Registered residents enter their job skills, qualifications, and contact information. In the Registry's first six months, 372 residents signed up. While the Registry is still in its infancy, HACM is working diligently to expand its reach by promoting the tool at job fairs, through phone calls, and via mailings. In addition to the registry, HACM expanded its outreach and training program with the creation of the Section 3 Fund – a $50,000 set-aside to cover the cost of job training and Section 3 outreach for residents.

Former HACM resident and Section 3 employee, Eugene Bivens reviews plans at his job with Kindness Architecture.

Resident Success

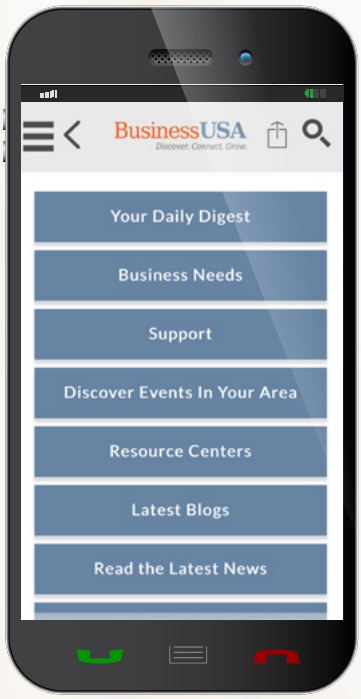
As a public housing resident, Eugene Bivens earned his GED and associate's degree in Interior Design. When Kindness Architecture was in search of interior designers, HACM advertised the position to their assisted residents. Mr. Bivens successfully landed the job creating, drafting, and finishing floor plans. Since working with Kindness, he has moved out of public housing. Mr. Bivens remains registered for HACM's Section 3 Resident Registry.

"With Section 3, HUD investments are more than bricks and mortar. They form a pathway to opportunity and self-sufficiency."

–Assistant Secretary Gustavo Velasquez

BusinessUSA Mobile App

HUD and the U.S. Small Business Administration developed the BusinessUSA Mobile App as a centralized, one-stop platform to make it easier than ever for businesses to access services and to help them grow and hire. Small contractors, including Section 3 businesses, can use the app to learn about federally funded contracting opportunities. It also pulls together the best business information, events, services, tools and advisors from federal, state and local governments. Whether you're an entrepreneur launching a startup, or a CEO looking to grow your enterprise, BusinessUSA has resources that can help you finance expansion, find tax liabilities and credit opportunities, learn how to export a product, or discover new business leads.



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- Access financing
- Find new markets, with trade leads, research grants and contracting opportunities
- Protect your intellectual property, including inventions and trademarks
- Learn about benefits and services for veteran entrepreneurs
- Comply with regulations, tax laws and healthcare changes

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