

UNDERSTANDING PREFERENCES

THE INTENT OF SECTION 3 IS TO ENSURE THAT ECONOMIC OPPORTUNITIES GENERATED FROM HUD FUNDED PROJECTS ARE DIRECTED TO SECTION 3 RESIDENTS AND BUSINESSES THAT PROVIDE ECONOMIC OPPORTUNITIES TO SECTION 3 RESIDENTS.

WHAT IS A SECTION 3 RESIDENT?

- A public housing resident OR
- A low-income person residing in the county in which the federal assistance is expended; for example:
 - Public Housing Residents
 - Section 8 voucher holders
 - Recently Unemployed Veterans
 - Recipients of other federal assistance (TANF, employment)
 - Single mothers re-entering the workforce
 - Recent college graduates

Note: Residents must be local to the Project. If they move into the area for the job, that cannot be counted as Section 3. The person would have had to have moved there first and then be hired in order to be considered Section 3.

PREFERENCE FOR SECTION 3 RESIDENTS (24 CFR 135.34)

When considering the employment opportunities for a Section 3 covered project, the WVHDF will cause their HOME Recipients to give priority consideration, where feasible, to Section 3 residents in the following order of priority: (24 CFR 135.34(2))

- Section 3 residents residing in the service area or neighborhood in which the Section 3 covered project is located (collectively referred to as category 1 residents); and
- Participants in HUD Youthbuild programs (category 2 residents).
- Where the Section 3 project is assisted under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11301 et seq.), homeless persons residing in the service area or neighborhood in which the Section 3 covered project is located shall be given the highest priority;
- Other Section 3 residents.

APPLICANTS MUST MEET THE QUALIFICATIONS OF THE POSITION TO BE FILLED.

WHAT IS A SECTION 3 BUSINESS CONCERN?

- At least 51% owned by Section 3 residents OR
- At least 30% of permanent, full-time employees are currently Section 3 residents or within 3 years of their employment date were Section 3 residents OR
- Provides evidence of commitment to subcontract over 25% of the dollar award of all subcontracts to the above Section 3 business concerns

PREFERENCE FOR SECTION 3 BUSINESS CONCERNS (24 CFR 135.36(a)(2))

When considering the award of contracts to business concerns, to the greatest extent possible, awards shall be made in the following order of priority (CFR 135.36(2)):

- Section 3 business concerns that provide economic opportunities for Section 3 residents in the service area or neighborhood in which the Section 3 covered project is located (category 1 businesses);
- Applicants (as this term is defined in 42 U.S.C. 12899) selected to carry out HUD Youthbuild programs (category 2 businesses);
- Other Section 3 business concerns.

A SECTION 3 BUSINESS CONCERN MUST BE ABLE TO SUBSTANTIATE THEIR ABILITY TO SUCCESSFULLY PERFORM THE TERMS AND CONDITIONS OF THE PROPOSED CONTRACT

RETAIN RECORDS TO DOCUMENT DETERMINATION OF NEW HIRES AND BUSINESS CONCERNS CONTRACTING. IF IT ISN'T DOCUMENTED, IT DID NOT HAPPEN.