Introduction to the Section 3 Program

A 1968 Housing and Urban Development Act
Today’s Presentation

• Section 3 Overview
• Certification
  – Residents
  – Businesses
• Current Projects
• Future Projects
• How to Contact Section 3
Section 3 In a Nutshell

• A provision of the Housing and Urban Development Act of 1968.

• Intended to ensure that opportunities for:
  – Training
  – Employment
  – Contracting

  Are generated for low to very-low income residents or businesses that reside within the City of Houston.

Also known as **Section 3 Residents** and **Businesses**.
Section 3 Covered Projects

- The construction or rehabilitation of housing (including reduction of lead-based paint hazards)
  - Multi Family
  - Single Family

- Other public construction such as:
  - Community Centers
  - Public Parks
  - Street Repair
  - Sewage Line Repair or Installation
  - Updates to Building Facades, etc.
Section 3 vs. Section 8

• **Section 3**
  – Offers employment/contracting opportunities via federally-funded construction projects to low-income residents and local businesses.

• **Section 8**
  – Offers housing assistance to low-income residents.
Section 3 Residents

1. A Public Housing Resident; or

2. 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.
Section 3 Residents

Misconception:
Residents do not hold qualified skills or are incapable of working.

• **300+ Residents certified** with the skills that range from **clerical to construction**.

• Certification is Fast & Free; Application on Website
Section 3 Businesses

• Qualify through 1 of 3 categories

• Certification is Fast & Free; Application available at table or on our website.

• 180+ Certified Businesses
  – Construction to Professional Services.
Category 1

- 51% or more ownership by a Section 3 Resident or qualify as a low to very-low income resident.

<table>
<thead>
<tr>
<th>Persons in Household</th>
<th>30% of Median Extremely Low-Income</th>
<th>50% of Median Very Low-Income</th>
<th>80% of Median Low Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$13,900</td>
<td>$1,158</td>
<td>$23,200</td>
</tr>
<tr>
<td>2</td>
<td>15,900</td>
<td>1,325</td>
<td>26,500</td>
</tr>
<tr>
<td>3</td>
<td>17,900</td>
<td>1,492</td>
<td>29,800</td>
</tr>
<tr>
<td>4</td>
<td>19,850</td>
<td>1,654</td>
<td>33,100</td>
</tr>
<tr>
<td>5</td>
<td>21,450</td>
<td>1,788</td>
<td>35,750</td>
</tr>
<tr>
<td>6</td>
<td>23,050</td>
<td>1,921</td>
<td>38,400</td>
</tr>
<tr>
<td>7</td>
<td>24,650</td>
<td>2,054</td>
<td>41,050</td>
</tr>
<tr>
<td>8</td>
<td>26,250</td>
<td>2,188</td>
<td>43,700</td>
</tr>
</tbody>
</table>
30% of full-time employees are Section 3 Residents, or qualify as a low to very-low income resident.

<table>
<thead>
<tr>
<th>Persons in Household</th>
<th>30% of Median Extremely Low-Income</th>
<th>50% of Median Very Low-Income</th>
<th>80% of Median Low Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$13,900</td>
<td>$1,158</td>
<td>$23,200</td>
</tr>
<tr>
<td>2</td>
<td>15,900</td>
<td>1,325</td>
<td>26,500</td>
</tr>
<tr>
<td>3</td>
<td>17,900</td>
<td>1,492</td>
<td>29,800</td>
</tr>
<tr>
<td>4</td>
<td>19,850</td>
<td>1,654</td>
<td>33,100</td>
</tr>
<tr>
<td>5</td>
<td>21,450</td>
<td>1,788</td>
<td>35,750</td>
</tr>
<tr>
<td>6</td>
<td>23,050</td>
<td>1,921</td>
<td>38,400</td>
</tr>
<tr>
<td>7</td>
<td>24,650</td>
<td>2,054</td>
<td>41,050</td>
</tr>
<tr>
<td>8</td>
<td>26,250</td>
<td>2,188</td>
<td>43,700</td>
</tr>
</tbody>
</table>
• Agree to subcontract 25% of future contracts to Section 3 Businesses or businesses that qualify for Category 1 or 2.
Certification Completed...What Now?

- ONLINE DATABASE
- NETWORKING
- OPPORTUNITY ANNOUNCEMENTS
Current Projects

• 10 Active Multi-Family Projects
  – Over **1.8 Million Dollars** awarded to Section 3 Businesses
    • Construction Trades
      – 10% of Project Amount
    • Professional Services
      – 3% of Professional Services Budget
Future Projects

• Round 2 Disaster Relief Funds = $152 Million

• A large portion of funds allocated to:
  – Single Family
  – Multi-Family

• Projects are subject to Section 3
Section 3 Contacts

www.HoustonTX.gov/Housing/Sec3.html

• Multi-Family/Commercial
  – Krystal.Shultz@houstontx.gov
    • 713-865-4124
  – Toni.Dupree@houstontx.gov
    • 713-865-4501

• Single Family
  – Michael.Dotson@houstontx.gov
    • 713-868-8332