

Section 3 of the Housing and Urban Development Act of 1968 FACT SHEET

Section 3¹ of the Housing and Urban Development Act of 1968 requires recipients of HUD funds (and their contractors and subcontractors), to the greatest extent feasible, provide economic opportunities such as **jobs** and **training** to low and very-low income persons (**Section 3 residents**) and award contract to **Section 3 Businesses** in conjunction with projects and activities in their neighborhoods.

DHCD's recipients that receive funding for (1) housing rehabilitation, (2) housing construction, and (3) other public construction projects must comply with Section 3 (this applies to contractors and their subcontractors also).

These grantees must subcontract 10% of the housing and building trades work on their projects at DHCD and 3% of all other contracts to Section 3 Business Concerns.

What is a Section 3 Business Concern?

A Section 3 business is one:

- That is at least 51 % or more owned by Section 3 residents, or
- Whose permanent, full-time employees include persons, at least 30% of whom are currently Section 3 residents, or within three years of the date of first employment with the business were Section 3 residents, or
- That provides evidence of a commitment to subcontract in excess of 25% of the dollar award of all subcontracts to be awarded to a Section 3 business.

What is a Section 3 resident?

- Public housing residents including persons with disabilities; and
- Low and very-low income District residents living in HUD-assisted projects.

Please review the reverse side of this fact sheet for the current income limits.

What are the benefits of being a Section 3 Business Concern?

Businesses which fit the definition of a **Section 3 Business Concern** listed above and in 24 CFR § 135.5 may receive contracting preferences in projects funded by DHCD.

Section 3 Business Concern Certification

Section 3 Business Concerns are only certified by DHCD. Please contact DHCD for more information and to receive an application by calling 202-442-7182. You may also visit our website at www.dhcd.dc.gov.

¹ Section 3 of the Housing and Urban Development Act of 1968 (24 CFR Part 135) (12 U.S.C. 1701u)

2011 DC FAMILY INCOME GUIDELINES

| Family Size | Maximum Income |
|-------------|----------------|
| 1 | \$47,350 |
| 2 | \$54,100 |
| 3 | \$60,850 |
| 4 | \$67,600 |
| 5 | \$73,050 |
| 6 | \$78,450 |
| 7 | \$83,850 |
| 8 | \$89,250 |

Department of Housing and Community Development

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