



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.
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- **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.

Persons in Household	30% of Median Extremely Low-Income		50% of Median Very Low-Income		80% of Median Low Income	
	Annual Income	Monthly Income	Annual Income	Monthly Income	Annual Income	Monthly Income
1	\$13,900	\$1,158	\$23,200	\$1,933	\$37,100	\$3,092
2	15,900	1,325	26,500	2,208	42,400	3,533
3	17,900	1,492	29,800	2,483	47,700	3,975
4	19,850	1,654	33,100	2,758	52,950	4,413
5	21,450	1,788	35,750	2,979	57,200	4,767
6	23,050	1,921	38,400	3,200	61,450	5,121
7	24,650	2,054	41,050	3,421	65,700	5,475
8	26,250	2,188	43,700	3,642	69,900	5,825

Category 2

- 30% of full-time employees are Section 3 Residents, or qualify as a low to very-low income resident.

Persons in Household	30% of Median Extremely Low-Income		50% of Median Very Low-Income		80% of Median Low Income	
	Annual Income	Monthly Income	Annual Income	Monthly Income	Annual Income	Monthly Income
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Category 3

- 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**
 - Erica.Newman@houstontx.gov
 - 832-394-6215
 - Vanessa.Rosales@houstontx.gov
 - 832-394-6233
- **Single Family**
 - Michael.Dotson@houstontx.gov