AFFIRMATIVE ACTION PROGRAM IMPLEMENTING SECTION 3

U.S. Department of Housing and Urban Development (HUD) funds are a part of Section 3 that is a provision of the HUD Act of 1968 that helps foster local economic development, neighborhood economic improvement, and individual self-sufficiency. The Section 3 program requires the employment of additional personnel through individual hiring or the awarding of contracts, the recipient must give preference in hiring to low- and very low- income persons and/or businesses owned by these persons or that substantially employ these persons, as codified in 24 CFR Part 75, effective November 30th, 2020.

The goal is to recognize sustained employment, rather than short-term hiring. If the contractor or subcontractor has the need to hire new persons to complete the Section 3 covered contract or needs to subcontract portions of the work to another business, the contractors are required to direct their newly created employment and/or subcontracting opportunities to Section 3 residents and business concerns. Section 3 applies to HUD-funded projects that complete housing rehabilitation, housing construction, and other public construction.

- Bidders acknowledge their review and acceptance of the Affirmative Action requirements with their completion and signature of this agreement, and inclusion in the bid documents.

- Upon completion of the information contained in the Affirmative Action document, bidders agree to seek low- and very low- income persons and/or businesses owned by such persons, in an effort to comply with Section 3.

- The new rule establishes clear benchmarks for what is considered Section 3 success. Section 3 Benchmark Notice (85 FR 60907, published 9/29/20) which will be updated every three years, requires.
  a. 25% of all labor hours must be performed by a "Section 3 worker."
  b. 5% of all labor hours must be performed by a "targeted Section 3 worker."

- To locate current HUD income guidelines view the following link http://www.huduser.org/portal/datasets/il.html or contact the St. Clair County Intergovernmental Grants Department for assistance.