

Section 3 Hiring and Training

In a Nutshell

[Section 3](#) is a HUD program aimed at economic development, neighborhood investment, and individual self-sufficiency. Homeownership is the ultimate goal of the Section 3 program. The program provides job skills training, employment, and contracts. The Section 3 program is aimed at public housing residents and low income individuals. Simply put, if local governments, private business, or non-profits accept HUD-funded work, they have a requirement to provide job training and employment to certain public housing residents and low income populations.

The “How To”

The [Section 3 program](#) specifically requires recipients of [HUD financial assistance](#) to provide job skills training, employment, and contract positions to low- and very low-income individuals, targeted to projects in their neighborhoods. A list of those recipients in the St. Louis region can be received directly from the [local HUD office](#) in Missouri, or in Illinois you may be directed to the [Chicago Region 5 office](#). When a business receives a HUD-funded project, they are required to recruit personnel from within the neighborhood, and individuals will be hired by the companies themselves.

For Residents

You may be eligible for the Section 3 program if you match one of these categories:

- A person in public and assisted housing
- A person in the area where HUD funds are being spent (see below)
- HUD Youthbuild program participant
- Homeless

If you live in an area where HUD funds are being spent, you must also meet income criteria. This criteria is set by HUD's income limits. Low income is defined as 80% of median area income, and very low income is defined as 50% of median area income.

The program's goal is for you to achieve economic growth and self-sufficiency. One goal is to work toward a stable residence and even homeownership. These broader goals are achieved through Section 3 via three tools:

- Job skills training
- Employment
- Contracts

The St. Louis Housing Authority provides a [basic overview of the program](#) and answers FAQs.

For Businesses

Businesses can locate Section 3-eligible workers from public housing developments, as well as through recruitment activities in the neighborhoods where HUD funds are being spent. Recruitment can include placing

advertisements in newspapers and online listings, distributing fliers and posting signs in the neighborhood, and contacting local community organizations, community development corporations, and employment service agencies.

The programs covered by the requirements include HUD-funded [Public & Indian Housing](#) projects, as well as certain HUD-funded Housing & Community Development projects. The [local HUD office](#) can be helpful in identifying what St. Louis regional work contains the Section 3 employment requirement to perform the contracted work.

For Local Governments

Local governments have a direct responsibility to participate in Section 3 Hiring and Training when they receive HUD funding for Housing and Community Development. Most local governments will recognize these disbursements in the form of Community Development Block Grants (CDBG), although there are several other disbursement programs. For example, cities/counties that receive and manage CDBG's are accountable for meeting Section 3 requirements on behalf of their contractors. Local government officials should note that sanctions that have been imposed by HUD for Section 3 violations have been directed primarily at cities, counties, and states.

Planning & Zoning

There is no defined role for units of local government to play in the Section 3 program. However, cities and counties can serve as critical community partners. Here are a few things local governments can do in relation to Section 3 of HUD:

- Establishing good working relationships with the local housing authority and regional HUD office
- Tracking and monitoring all HUD-funded, Section 3 eligible work in the community
- Building a database of community partner organizations, such as non-profits and faith-based groups, that are engaged in job training and economic development for low-income populations
- Maintaining a database of interested city/county residents that qualify for Section 3 employment in your jurisdiction
- Developing a list of businesses and contractors that most frequently perform HUD-funded work in your community, and work to build lines of communication and rapport with those companies - let them know the city/county wants to see local, low-income residents hired for projects in your community
- Playing "match-maker" and connecting interested resident/employees with businesses, companies, and contractors performing HUD-funded work in your community
- Assisting those concerned about Section 3 program abuse in reporting a complaint to HUD
- Outside of a strict Section 3 program role, local governments can work with the housing authority to evaluate creating complementary job training and workforce development programs for residents within their community, including increasing access to affordable housing opportunities

Dollars & Cents

For Residents

There is no expense for residents who qualify for Section 3 job training and work programs. Use the resources on the "Discover More" tab to locate local housing offices that can assist you in locating employment.

For Companies

There are important compliance functions related to accepting HUD-funded work. There will likely be no additional cost for participating in the Section 3 program. Use the resources on the "Discover More" tab to locate local housing offices that can assist you in preparing to work through the Section 3 program.

For Local Governments

Technically, a unit of local government does not have to expend any resources or time on this program. However, there may be minimal costs associated with staff time to create and manage some of the housing and community development programs listed under the "Planning & Zoning" tab.

Measuring Success

The Texas Department of Housing & Community Affairs offers a thorough [slideshow presentation outlining the program](#) in detail and ways to evaluate success. Ultimately, success can be measured by how many local residents (who are eligible) are actually hired by Section 3 projects. A unit of local government can work with local housing and job training organizations to build a tracking and monitoring system that logs all HUD-funded projects in their community and records what percentage of the labor force on that project participated through Section 3.

Discover More

Local housing authority agencies can also offer information and guidance about the Section 3 program. For instance, the St. Clair County Illinois Housing Authority offers a [resident worksheet](#) to determine program eligibility and enrollment. Relevant agencies in the Greater St. Louis region include:

- [St. Louis City, MO](#)
- [St. Louis County, MO](#)
- [St. Clair County, IL](#)
- [St. Charles, MO](#)
- [Franklin/Jefferson County, MO](#)
- [Madison County, IL](#)