



## SECTION 3 CERTIFICATIONS

The purpose of Section 3 of the Housing and Urban Development Act of 1968, and its associated regulations (24 CFR Part 75), is to ensure economic opportunities generated by certain U.S. Department of Housing & Urban Development (HUD) financial assistance shall be directed to low-income persons, particularly those who are recipients of government assistance for housing, and to Business Concerns that provide economic opportunities to low-income persons.

### *How does Section 3 benefit me?*

There are real benefits to attaining certification as a Section 3 Business Concern. The City of Billings (City) receives HUD funding for housing rehabilitation, new housing construction, affordable housing development, public infrastructure improvements, public facilities, park improvements, and economic development projects.

There are significant economic opportunities for Section 3 Business Concerns. All you have to do is to get certified! City staff will maintain a list of Section 3 Business Concerns by trade and location. This list will be provided to participating contractors and program partners to meet Section 3 hiring and contracting goals.

The Community Development Division will prioritize commitments to Section 3 Business Concerns, who must meet at least one of the following criteria to become certified, documented within the last six-month period:

- At least 51% owned and controlled by low-income person(s); or
- Over 75 percent (75%) of the labor hours performed for the business over the prior three-month period were performed by Section 3 workers; or
- A business at least 51 percent (51%) owned and controlled by current public housing resident(s) or resident(s) who currently live in Section 8-assisted housing.

### **Definitions:**

**Low-Income:** Defined as less than 80% of the Area Median Income (AMI) for the Billings area, currently \$44,800 (effective June 1, 2021, but updated annually).

**Section 3 Worker:** Any worker who currently fits, or when hired within the past five years fit, at least one of the following categories, as documented:

- The worker's income for the previous or annualized calendar year is below 80% AMI, or
- The worker is employed by a Section 3 Business Concern.

**Targeted Section 3 Worker:** Is a Section 3 worker who:

- Is employed by a Section 3 Business Concern, or
- Currently lives, or when hired within the past five years lived, within the project neighborhood.

### ***What happens after I fill out the application form?***

City staff will initiate the application process and review each submission. Staff will contact applicant concerning any additional required documentation. The application process will be held in a pending status until all incomplete or missing documentation is provided and approved.

After all documentation has been reviewed by staff, the City will issue a Certification Letter and applicant will remain certified for as long as your business continues to meet the definition (24 CRF § 75.5). Your trade information will be added to the Community Development Division list for hiring and contracting opportunities.

Businesses are also encouraged to self-certify by completing the online [Section 3 Business Registry](#). Businesses are also encouraged to check the [Opportunity Portal](#) for contract opportunities.

### ***What if I am interested in hiring or contracting with Section 3 businesses?***

City staff will provide Section 3 Business Concern registry information to partners and program participants to develop a customized Section 3 Utilization Plan that meets the goals of the City of Billings Section 3 Program. Section 3 Business Concerns are also encouraged to check the [Opportunity Portal](#) to post job opportunities and/or search for eligible workers to fill positions.