



SECTION 3 FREQUENTLY ASKED QUESTIONS

1. GENERAL FAQs

1a. What is Section 3?

Section 3 is a provision of the Housing and Urban Development Act of 1968. Section 3 is neither race- nor gender-based and is not an entitlement. Rather, Section 3 is income-based and intended to provide *preference* for jobs and contracts created by HUD-funded projects to 1) local, qualified residents of low income and 2) local, qualified businesses that employ these residents. In some cases, the preference may also extend to job training.

Section 3 applies only when HUD funding for projects exceeds \$200,000 and, then, only to HUD-funded projects that require the creation of new jobs or contracts. When it applies, Section 3 applies to an entire project—regardless of whether the project is fully or partially funded by HUD.

Section 3 does not require the creation of jobs or contracts nor is it meant to substitute unqualified persons for qualified persons.

1b. What does "local" mean?

For HUD-funded projects of the City of Hammond, "local" means within Tangipahoa Parish.

1c. What does "qualified" mean?

"Qualified" generally means licensed, experienced, and capable—as appropriate to the job(s) or contract being sought. More specifically, a person or business shall be considered qualified for a job or contract by meeting its advertised requirements.

1d. What does "low income" mean?

HUD considers a resident of Tangipahoa Parish to be of "low income" if his/her household earns, before taxes and other deductions, an amount equal to or less than the annual income limit—also known as the low income limit—for the household's size:

Household Size	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Annual Income Limit	\$34,300	\$39,200	\$44,100	\$48,950	\$52,900	\$56,800	\$60,700	\$64,650

These limits apply only to residents of Tangipahoa Parish; residents and businesses outside Tangipahoa Parish are encouraged to contact their local or parish government about its Section 3 income limits and policies.

A resident of a public housing development of the Hammond Housing Authority is automatically considered to be of low income—having already demonstrated his/her household earns equal to or less than its annual income limit. Similarly, a resident of Tangipahoa Parish who receives food stamps, LaCHIP, Medicaid, TANF, WIC, or other public assistance is likely to have already demonstrated him/herself to be of low income.

2. RESIDENT FAQs

2a. Am I eligible for Section 3 preference for jobs?

See [FAQs 1b–1d](#). If you are local, qualified, and of low income, you are eligible for Section 3 preference for jobs created by HUD-funded projects of the City of Hammond.

If you live outside Tangipahoa Parish or your household earns more than its annual income limit (see [FAQ 1d](#)), you are not eligible for Section 3 preference on HUD-funded projects of the City, but may still apply for jobs on these and other City projects. You are also encouraged to contact your local or parish government about its Section 3 income limits and policies.

2b. I am eligible. Why should I certify?

Section 3 certification provides the City and its contractors/subcontractors with a way to notify you of jobs and, where applicable, job training created by HUD-funded projects of the City. Certification is also the only way to receive Section 3 preference for such jobs and job training.

2c. How do I certify?

Complete the *Section 3 Self-certification Form for Residents*, available through the City's Grants Department and [online](#).

Mail or deliver the signed original to:

Grants Department
City of Hammond
310 E Charles St 2nd Fl
PO Box 2788
Hammond LA 70404-2788

2d. I've certified. What do I do now?

Watch for job and job training announcements to be posted in your area, in newspapers, and [online](#). The City and its contractors/subcontractors may also contact you directly when a job or job training becomes available.

2e. How long does my certification last?

The City will keep your *Section 3 Self-certification Form for Residents* on file for 3 years. After 3 years, you will need to re-certify. If you move or your contact information or employment status changes, you should also re-certify at that time.

3. BUSINESS OWNER FAQs

3a. Is my business eligible for Section 3 preference for jobs and contracts?

See [FAQs 1b–1d](#). If your business is local, qualified, and either 1) 51%-owned by Tangipahoa Parish residents of low income, 2) employs a full-time workforce of which at least 30% is Tangipahoa Parish residents of low income¹, or 3) subcontracts more than 25% of its work to businesses described by 1 or 2 above, your business is eligible for Section 3 preference for jobs and contracts created by HUD-funded projects of the City of Hammond.

If your business is located outside Tangipahoa Parish or does not employ Tangipahoa Parish residents of low income, your business is not eligible for Section 3 preference on HUD-funded projects of the City, but may still bid/quote on these and other City projects. Your business is also encouraged to contact its local or parish government about its Section 3 policies.

3b. My business is eligible. Why should we certify?

Section 3 certification provides the City and its contractors with a way to notify your business of jobs and contracts created by HUD-funded projects of the City. Certification is also the only way to receive Section 3 preference for such jobs and contracts.

3c. How do we certify?

Complete the *Section 3 Self-certification Form for Contractors/Subcontractors*, available through the City's Grants Department and [online](#).

Mail or deliver the signed original to:

Grants Department
City of Hammond
310 E Charles St 2nd Fl
PO Box 2788
Hammond LA 70404-2788

¹ A business that employs a person of low income may count this employee as an employee of low income for a period of up to 3 years from his/her hire date. For example, Alyce was an unemployed Tangipahoa Parish resident when she was hired by A Company January 1, 2019. Whether Alyce's starting salary and/or any raise she receives places her household income above its annual income limit, A Company may count Alyce as an employee of low income until December 31, 2021.

Also consider registering with HUD. Registration with HUD will make your business discoverable by others with contracting opportunities for Section 3 businesses, Minority-owned Business Enterprises (MBEs), and Woman-owned Business Enterprises (WBEs). A link to HUD's Section 3 Business Registry and a preview of the registration process can be found on the City's [website](#).

3d. We've certified. What do we do now?

Watch for job and contract announcements to be posted in newspapers and [online](#). The City and its contractors may also contact your business directly when jobs or contracts become available.

3e. How long does our certification last?

The City will keep your business's *Section 3 Self-certification Form for Contractors/Subcontractors* on file for 3 years. After 3 years, your business will need to re-certify. If your business experiences a change in ownership, new hires or turnover, expansion or downsizing, relocation, or any other change that may affect Section 3 status², your business should also re-certify at that time.

3f. We've been awarded a contract/subcontract on a HUD-funded project of the City. What information should we be tracking and/or reporting to the City?

Your business will be asked to complete a *Section 3 Certification for Hired Contractors/Subcontractors & Demonstration of Capability Form*, used to verify the information reported when your business certified as a Section 3 business. For each new employee hired under the contract/subcontract, your business must complete a *Section 3 New Employee Information Form*. Both forms are available through the City's Grants Department and [online](#).

Mail or deliver the signed originals to:

Grants Department
City of Hammond
310 E Charles St 2nd Fl
PO Box 2788
Hammond LA 70404-2788

4. ADDITIONAL QUESTIONS

4a. Whom should I contact if I still have questions about Section 3 or to report noncompliance with Section 3?

Questions about Section 3 and/or reports of noncompliance with Section 3 may be directed to

Charles Borchers IV
Grants Manager
City of Hammond
310 E Charles St 2nd Fl
PO Box 2788
Hammond LA 70404-2788
borchers_cw@hammond.org
985.277.5647

² For example, when A Company hired Alyce, the company had 3 employees. As a previously unemployed Tangipahoa Parish resident, Alyce was counted as an employee of low income—bringing the percentage of employees of low income in A Company's workforce to 25%, short of the 30% required to certify as a Section 3 business. A few months later, one of Alyce's co-workers leaves the company. A Company now has 3 employees, of which employees of low income (Alyce) represent 33% of the workforce. A qualified Tangipahoa Parish business, A Company may now re-certify itself as a Section 3 business with the City of Hammond.