

## SECTION 3 STATUTE

### HOUSING AND URBAN DEVELOPMENT ACT OF 1968 (PUBLIC LAW 90-448; STAT. 12 U.S.C. 1701u)

#### EMPLOYMENT OPPORTUNITIES FOR LOWER INCOME PERSONS IN CONNECTION WITH ASSISTED PROJECTS

Sec 3. In the administration of programs directly receiving financial assistance including community development block grants, in the aid of housing, urban planning, development, redevelopment, or renewal of public or community facilities, and new community development, the Secretary of HUD shall –

1. *require*, in consultation with the Secretary of Labor, that to the greatest extent feasible, opportunities for training and employment arising in connection with the planning and carrying out of any project assisted under any such program be given to lower income persons residing within the unit of local government or the metropolitan area (or nonmetropolitan county), as determined by the Secretary, in which the project is located; and
2. *require*, in consultation with the administrator of the Small Business Administration, that to the greatest extent feasible, contracts for work to be performed in connection with any such project be awarded to business concerns, including but not limited to individuals or firms doing business in the field of planning, consulting, design, architecture, building construction, rehabilitation, maintenance, or repair, which are located in, or owned in substantial part by persons residing in the same metropolitan area (or nonmetropolitan county) as the project.

1992 Amendments to Section 3 of the Housing and Urban Development Act of 1968

ECONOMIC OPPORTUNITIES THROUGH HUD PROGRAMS

*Following is an excerpt from the Housing and Community Development Act of 1992:*

SEC. 915 ECONOMIC OPPORTUNITIES FOR LOW AND VERY LOW INCOME PERSONS

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u.) is amended to read as follows:

SEC. 3 Economic opportunities for low – and very low–income persons

**(a) Findings**

The Congress finds that—

- (1) Federal housing and community development programs provide State and local governments and other recipients of Federal financial assistance with substantial funds for projects and activities that produce significant employment and other economic opportunities;
- (2) low- and very low-income persons, especially recipients of government assistance for housing, often have restricted access to employment and other economic opportunities;
- (3) the employment and other economic opportunities generated by projects and activities that receive Federal housing and community development assistance offer an effective means of empowering low- and very low-income persons, particularly persons who are recipients of government assistance for housing; and
- (4) prior Federal efforts to direct employment and other economic opportunities generated by Federal housing and community development programs to low- and very low-income persons have not been fully effective and should be intensified.

**(b) Policy**

It is the policy of the Congress and the purpose of this section to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing.

**(c) Employment**

**(1) Public and Indian housing program**

**(A) In general**

The Secretary shall require that public and Indian housing agencies, and their contractors and subcontractors, make their best efforts, consistent with existing Federal, State, and local laws and regulations, to give to low- and very low-income persons the training and employment opportunities generated by development assistance provided pursuant to section 1437c of title 42, operating assistance provided pursuant to section 1437g of title 42, and modernization grants provided pursuant to section 1437i of title 42.<sup>[1]</sup>

**(B) Priority**

The efforts required under subparagraph (A) shall be directed in the following order of priority:

- (i) To residents of the housing developments for which the assistance is expended.
- (ii) To residents of other developments managed by the public or Indian housing agency that is expending the assistance.
- (iii) To participants in YouthBuild programs receiving assistance under section 2918a of title 29.
- (iv) To other low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended.

**(2) Other programs**

**(A) In general**

In other programs that provide housing and community development assistance, the Secretary shall ensure that, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the project is located.

**(B) Priority**

Where feasible, priority should be given to low- and very low-income persons residing within the service area of the project or the neighborhood in which the project is located and to participants in YouthBuild programs receiving assistance under section 2918a of title 29.

**(d) Contracting**

**(1) Public and Indian housing program**

**(A) In general**

The Secretary shall require that public and Indian housing agencies, and their contractors and subcontractors, make their best efforts, consistent with existing Federal, State, and local laws and regulations, to award contracts for work to be performed in connection with development assistance provided pursuant to section 1437c of title 42, operating assistance provided pursuant to section 1437g of title 42, and modernization grants provided pursuant to section 1437i of title 42,<sup>[1]</sup> to business concerns that provide economic opportunities for low- and very low-income persons.

**(B) Priority**

The efforts required under subparagraph (A) shall be directed in the following order of priority:

- (i) To business concerns that provide economic opportunities for residents of the housing development for which the assistance is provided.
- (ii) To business concerns that provide economic opportunities for residents of other housing developments operated by the public and Indian housing agency that is providing the assistance.
- (iii) To YouthBuild programs receiving assistance under section 2918a of title 29.
- (iv) To business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is provided.

**(2) Other programs**

**(A) In general**

In providing housing and community development assistance pursuant to other programs, the Secretary shall ensure that, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, contracts awarded for work to be performed in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area (or nonmetropolitan county) in which the assistance is expended.

**(B) Priority**

Where feasible, priority should be given to business concerns which provide economic opportunities for low- and very low-income persons residing within the service area of the project or the neighborhood in which the project is located and to YouthBuild programs receiving assistance under section 2918a of title 29.

**(e) Definitions**

For the purposes of this section the following definitions shall apply:

**(1) Low- and very low-income persons**

The terms "low-income persons" and "very low-income persons" have the same meanings given the terms "low-income families" and "very low-income families", respectively, in section 1437a (b)(2) of title 42.

**(2) Business concern that provides economic opportunities**

The term "a business concern that provides economic opportunities" means a business concern that—

- (A)** provides economic opportunities for a class of persons that has a majority controlling interest in the business;
- (B)** employs a substantial number of such persons; or
- (C)** meets such other criteria as the Secretary may establish.

**(f) Coordination with other Federal agencies**

The Secretary shall consult with the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Commerce, the Administrator of the Small Business Administration, and such other Federal agencies as the Secretary determines are necessary to carry out this section.

**(g) Regulations**

Not later than 180 days after October 28, 1992, the Secretary shall promulgate regulations to implement this section.