

**CITY OF LONG BEACH
DEPARTMENT OF FINANCIAL MANAGEMENT
BUSINESS RELATIONS BUREAU
HUD SECTION 3 PROGRAM**

SECTION 3 FREQUENTLY ASKED QUESTIONS

1. WHAT IS SECTION 3?

Section 3 is a Federal regulation administered through the Department of Housing and Urban Development (HUD) to provide economic opportunities for businesses and local residents when local governments use certain funding for construction activities.

2. WHAT AM I REQUIRED TO DO AS A BIDDING CONTRACTOR?

All bidding prime contractors must conduct best efforts to contract out ten percent of the subcontracting work to Section 3 Businesses.

3. WHAT IS A SECTION 3 BUSINESS?

A Section 3 Business is a business that is 51% owned by a resident of Los Angeles County and who meets the income guidelines; **or** 30% or more of your permanent workforce is comprised of low-income residents and lives in Los Angeles County and who meets the income guidelines.

4. WHERE CAN I FIND THE INCOME GUIDELINES?

The income guidelines are included the Developer/Contractor Compliance Attachments. Income guidelines are based on household size and are updated annually.

5. HOW DO I CONDUCT BEST EFFORTS?

Give contractors/businesses that are listed on the City of Long Beach Certified HUD Section 3 Business List an opportunity to bid on the project.

- Contact businesses/contractors for those trades that you are subcontracting
- Document your contact with the Section 3 Businesses/Contractors by using Attachment I-Outreach to Section 3 and Local Businesses; Also, please provide additional documentation by providing fax confirmation pages, email confirmations, or metered mail, if applicable.
- Document the response of the invitation to bid
- Return all documentation and responses in the Best Effort Submittal Packet

6. WHAT SECTION 3 DOCUMENTS HAVE TO BE SUBMITTED?

The Best Effort Submittal packet has to be returned with the bid (attachments B, I-Outreach to Section 3 and Local Businesses, I-Outreach to Agencies, and Attachment J) or your bid will be deemed non-responsive.

7. ARE CONTRACTORS REQUIRED TO ADVERTISE IN THE LOCAL NEWSPAPER WHERE THE PROJECT IS LOCATED?

Depends on the project. Please consult the Section 3 Coordinator.

8. THE LINES ON THE ATTACHMENT I-OUTREACH TO SECTION 3 AND LOCAL BUSINESSES ARE TOO SMALL, CAN I USE MY OWN?

Yes, another form of the log sheet can be used. However, return the entire Best Effort Submittal Packet with your log sheet.

9. WHAT IS A SECTION 3 RESIDENT?

A Section 3 low-income person resides in the City of Long Beach and Signal Hill), and whose household income does not exceed 80 percent of the median income for the area.

10. I AM A SECTION 3 RESIDENT, HOW DO I FIND OUT ABOUT EMPLOYMENT OPPORTUNITIES?

Contact the Pacific Gateway Network at 562-570-3700.

11. WHO MAY I CONTACT FOR ADDITIONAL QUESTIONS OR ASSISTANCE REGARDING HUD SECTION 3?

Contact the Business Relations Bureau at 562.570.6037.