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HUD No. 10-044
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FOR RELEASE
Monday
March 8, 2010

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HUD STEPS UP ENFORCEMENT OF JOB CREATION REQUIREMENTS FOR STATE AND LOCAL GOVERNMENTS

3,100 agencies submit 2008 annual reports documenting efforts to hire low-income residents

WASHINGTON – More than **3,100 state and local government agencies** have responded to the U.S. Department of Housing and Urban Development's campaign to expand hiring and contracting opportunities for low-income persons. As a result of the effort, three out of four HUD-funded state and local agencies submitted required annual reports, the largest response since HUD made Section 3 reporting mandatory.

"HUD's mission is to invest in people as well as buildings," said John Trasviña, HUD's Assistant Secretary for Fair Housing and Equal Opportunity. "This initiative is a huge step toward creating job opportunities for low- and very low-income individuals and ensuring that state and local governments partner with HUD.

In October 2009, HUD contacted more than 3,500 agencies to remind them of their legal obligations to report their hiring and contracting efforts. Under Section 3 of the Housing and Urban Development Act of 1968, state and local governments that receive HUD funding are required to report how they use the funding to hire low- and very low-income individuals and public housing residents. Agencies are also, "to the greatest extent feasible," required to contract with companies that hire the residents.

Requiring recipients of HUD funding to report is the initial step in an aggressive two-year Section 3 Implementation Plan to increase hiring and training opportunities. Assisting local and state agencies with implementing and reporting on their Section 3 activities also includes holding them accountable when they fail to do so. For example, under a Voluntary Compliance Agreement (VCA) the city of St. Paul, MN reached with HUD, the city will direct \$1 million to build the capacity of low-income individuals and businesses to participate in housing construction projects over the next four years.

Specific programs under the VCA will include training on the city's project development process, construction job preparation, and a no-interest revolving loan fund for Section 3 business concerns. In addition, St. Paul will establish a scholarship fund to help low-income persons pay for such job related expenses as union initiation fees and dues, tools, equipment and work clothing.

HUD will continue to work with labor, business, vocational, educational, and community organizations to help workers become trained and eligible for job opportunities. In 2008, HUD funding generated more than 17,000 new employment and training opportunities for Section 3 residents and facilitated the award of more than \$340 million in HUD-funded construction contracts to Section 3 businesses. The funding also enabled about 3,600 Section 3 businesses to receive contracts to complete work on HUD-funded projects.

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In addition, HUD's Office of Fair Housing and Equal Opportunity has conducted trainings for thousands of HUD recipients, responded to hundreds of requests from state and local governments for technical assistance, and published new guidance materials on its Web site. Future activities will include awarding eight competitive grants ranging from \$50,000 to \$100,000 to help local governments hire Section 3 coordinators.

For additional information about HUD's Section3 program, go to: www.hud.gov/section3.

The logo features the words "OPEN GOV" in white, bold, sans-serif capital letters. The text is set against a dark blue background that is shaped like a folded piece of paper or a ribbon, with the top edge curving upwards.

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