

A. SECTION 3 BUSINESS CERTIFICATION APPLICATIONS:

Applications for Section 3 Business Certification may be obtained from the *Office of Community Development, 110 N. Fourth Avenue, Suite 300, Ann Arbor, MI 48107.*

APPLICATION PROCESS:

To be considered for certification as a Section 3 Business Concern, a business must complete the *Section 3 Clause, submit the appropriate Section 3 Business Certification Form and provide all required supporting documentation.*

1. (Category 1) Business Ownership:

- θ When a qualified Section 3 Resident is the primary owner having 51% or more ownership he/she (or, if less than 51%, holds the greatest percentage of ownership) must complete the *Section 3 Business Certification Form (51% Section 3 Resident Ownership)* form. This category was created by HUD for business concerns that are primarily owned by a person(s) that meet the HUD definition of being low income.
- θ If there are two or more Section 3 Resident owners that together own 51% or more of the business, each additional owner (not having majority ownership) must complete the *Section 3 Resident Income Verification Form (Section 3 Business Certification)*.

2. (Category 2) Percentage of Employees Criteria:

- θ A business having at least 30% permanent, full time Section 3 Residents on the payroll completes the *Section 3 Business Certification Form (30% Section 3 Resident Employment)*. At least 30% of permanent, full time employees must be Section 3 Residents or within three (3) years of the date of first employment with the business were Section 3 Residents.
- θ A *Section 3 Resident Income Verification Form (Section 3 Business Certification)* must be completed by each Section 3 Resident employee as evidence that each individual meets the HUD definition of a Section 3 Resident.

B. DOCUMENTATION:

- θ The following completed forms are required for certification:
 - Section 3 - **51% or 30%** Business Certification Application;
 - Section 3 Clause;
 - Register with the Office of Community Development to become an approved contractor and/or subcontractor;
 - Submit Articles of Incorporation with State of Michigan Seal;
 - Submit Ownership or Partnership Agreement(s) or if applicable, Notarized Affidavit or Secretary of State Certification to confirm that applicant(s) is or are the major shareholder(s)/owner(s);
 - Submit Capacity evaluation: demonstration of business experience, i.e., list at least 10 previous jobs, existing jobs and 3 current references;
 - Submit Largest Contract Award verification;
 - If 51% Section 3 Resident Ownership; Submit Most Recent IRS Tax Statement (Individual(s) and Corporate or if a Sole Proprietor Submit IRS 1040 with Schedule C to confirm income.
 - Submit Identification (i.e. Passport, Drivers License)
 - Workers Compensation Certificate

C. CERTIFICATION:

- θ The Section 3 Business Certificate will be issued to acknowledge that a business has met the criteria established by the HUD Act of 1968, 24 CFR PART 135 - Section 3.
 - The business shall be listed in the Section 3 OCD Business Directory.

Mail to:

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