



**City of Madison**

## **CITY-COUNTY JOBS COLLABORATION UNDERWAY**

November 6, 2013

A city-county collaboration aimed at helping to connect more people with family supporting jobs and helping local businesses expand their bottom line through the federal Section 3 program is underway.

The Section 3 program is offered through the US Department of Housing and Urban Development (HUD) and helps promote local economic development, stronger neighborhoods, and job skills for those who participate.

While Section 3 has been in place for decades, the City of Madison and Dane County are collaborating to raise awareness of the benefits of the program to make it easier for project developers, contractors, and their subcontractors to meet and benefit from Section 3 requirements.

A Section 3 resident is someone who is a public housing resident or who lives in Dane County and whose family income is either at or below 80 percent of the area median income. Currently that means the income for a single person household may not exceed \$45,100 or \$64,400 for a family of four.

A Section 3 business is one where Section 3 residents hold majority ownership or at least 30 percent of the full time employees are Section 3 residents. Section 3 businesses may receive preference in the awarding of hundreds of thousands of dollars each year in contracts funded by HUD.

A recent example of Section 3 is the soon- to- open Food Enterprise and Economic Development (FEED) Kitchen on Madison's north side. The FEED Kitchens will be providing affordable commercial kitchen space for rent, something that is currently not available in Madison or nearby communities.

Similar food business incubators around the US generate 25 -35 new full time equivalent jobs per year because of the access to commercial kitchen space that allows users to sell food products to the public. Engineered Construction, the prime contractor, was able to utilize the work of Amigo Construction LLC, a Section 3 certified local business

Section 3 requirements placed on the renovation of the Pheasant Ridge Apartments in the Town of Madison this past summer helped Kevin Mclimans find employment as a Laborer. With his newly acquired skills, Mclimans hopes to pursue a career in plumbing at Sheldon Plumbing, Inc.

"The project was a learning experience," said Mclimans. "I learned something every day, including a little electrical and plumbing." He related he is going to learn plumbing as a career now and this was good way to get in the door at Sheldon Plumbing, Inc. where he now works.

Working with the Section 3 program means that the project developer and prime contractor are assisted as they develop a Section 3 Plan that identifies the steps that will be taken to inform and provide preference to Section 3 businesses regarding contracting opportunities. For the Pheasant Ridge Apartment renovation, sponsoring a job fair in the neighborhood was a way to connect their subcontractors with potential employees and scheduling interviews at the job fair.

Members of the city-county collaboration have been working to get information out to contractors and developers through panel discussions, presentations, and materials at meetings through the Construction Workforce Diversity Alliance (CWDA), Small Business Administration's SAGE Conference, and the Marketplace 2012 Governor's Conference on Minority Business Development.

The City, County, and the Housing Authorities are currently working to certify persons and businesses who may be Section 3 eligible. Application forms may be found on the City web site at: <http://www.cityofmadison.com/dcr/aaTBDir.cfm>. The directory serves as one means for contractors to identify Section 3 eligible persons for employment opportunities.

Greg Markle, Executive Director for Operation Fresh Start, the first Section 3 certified business, noted, "Section 3 is a vital program through which we hope to engage many more disconnected minority youth in an opportunity to develop skills for future employment. Fresh Start looks forward to connecting with local businesses

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