



CITY OF SAINT PAUL
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SOCIALLY RESPONSIBLE INVESTMENT FUND AND SECTION 3 BUSINESSES AND RESIDENTS

One way banks can participate in the Socially Responsible Investment Fund (SRIF) program is by issuing commercial loans to Section 3 residents and businesses.

Who Are Section 3 Residents?

“Section 3 resident” means a local resident who is low-income. A person is a Section 3 resident if:

- 1) They are a public housing resident; OR
- 2) They both
 - a. live in the 15 county metro area, AND
 - b. have a total household income that is below the levels set by the Department of Housing and Urban Development.

The income levels that apply in the City of Saint Paul are [available online](#). The metro area that applies is the Minneapolis-St. Paul-Bloomington metro area. Section 3 limits apply to total household income. You have to count the income of any roommates, spouses, domestic partners, and children who are living in the household. Section 3 residents looking for Section 3 opportunities have to prove that they are eligible.

What is a Section 3 Business?

Generally, “Section 3 Business” means a business that provides opportunities to Section 3 residents. There are three ways a business may be eligible for Section 3 certification:

- 1) At least 51% of the business is owned by a certified Section 3 resident;
- 2) The business has a permanent, full-time workforce that is at least 30% Section 3 residents;
- 3) The business demonstrates that they have historically worked with Section 3 business and plan to do so in the future. This means that they can demonstrate that they subcontract at least 25% of their business to Section 3 businesses.

A Section 3 business under the third point, above, must show they are doing business with the first two types of businesses. That means that a business cannot get the 25% certification by working with other 25% companies.