

WHAT is Section 3?

A provision of the Housing and Urban Development Act of 1968, the purpose of Section 3 is to direct employment and other opportunities generated by HUD financial assistance to low- and very low-income workers and public housing residents, and to businesses that provide economic opportunities to such workers.

Below are commonly used terms and tools that support Section 3 activities

Section 3 Worker

Currently or in the past 5 years, the worker meets at least one of the following:

- Income is below the income limit set by HUD
- Employed by a Section 3 Business
- YouthBuild Participant



Targeted Section 3 Worker

Currently or in the past 5 years, the worker meets at least one of the following:

- Employed by a Section 3 Business
- Resident of public housing or Section 8 recipient
- YouthBuild Participant
- *For HCD Projects:* Worker lives within the service area or neighborhood of the project



Section 3 Business

Meets at least one of the following:

- Is at least 51% owned and controlled by low- or very low-income persons
- Over 75% of labor hours are performed by Section 3 workers (over the prior 3 month period)
- 51% owned by public housing residents or residents currently in Section 8-assisted housing



Opportunity Portal

Connecting workers to employers, and employers to contracts

The Opportunity Portal is a digital portal where employers can post job opportunities, workers can apply for jobs or post their resume, and grant recipients can post contract opportunities for employers/businesses to bid on.



Business Registry

The Business Registry is an online registry where businesses self-certify they are eligible to be Section 3 and register their business as such. The registry allows grant recipients to search for businesses in their area for specific project needs.

Benchmarks

25% of all labor generated by certain HUD funds will, to the greatest extent feasible, go to Section 3 workers, and 5% of the total labor will be performed by Targeted Section 3 workers

If recipients are unable to meet this benchmark, they must report on qualitative efforts such as outreach efforts, job fairs, provide technical assistance to help applicants compete for jobs, provide training and apprenticeship opportunities, etc.



Verification Process

HUD does not verify that all registered Section 3 businesses meet eligibility and qualifications. Grant recipients and general contractors will process this verification through documentation collection at the time of contract.



Additional Resources

- [Frequently Asked Questions](#)
- [HUD Section 3 Home Page](#)
- [Opportunity Portal](#)
- [Business Registry](#)
- [HUD Income Limits](#)
- [HUD Exchange: On-Demand Training and Resources](#)



Contact Section3@hud.gov if you have any questions