

Section 3 General Factsheet

Section 3 is a provision of the Housing and Urban Development Act of 1968. The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State, and Local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

Part I: HUD mandates that the Boston Housing Authority (BHA) provide or assist Section 3 business concerns to receive contracting opportunities.

Section 3 Business Concern is a business that meets one of these categories, as documented within the last six-month:

1. At least 51 percent owned and controlled by low- or very low-income persons;
2. Over 75 percent of the labor hours performed for the business over the prior three-month are performed by Section 3 workers; or
3. At least 51 percent owned and controlled by current public housing residents or residents living in Section 8-assisted housing.

How does Section 3 Business Concern differ from Minority Business Enterprise (MBE) and Women's Business Enterprise (WBE)?

Section 3 Business Concern program is gender and race-neutral. The program's purpose is to direct contracting opportunities to low-income individuals and businesses that employ low-income individuals. You can get your business certified as MBE or WBE with the City of Boston by visiting <https://www.boston.gov/departments/economic-development/equity-and-inclusion-office/get-your-business-certified>.

A non-profit organization can be a business concern if they meet one of the categories listed above.

How does a business become a Section 3 Business Concern?

A business must self-certify as a Section 3 Business Concern which demonstrates that the business meets one of the identified categories. Please find HUD's self-certification form at <https://portalapps.hud.gov/Sec3BusReg/BRegistry/RegisterBusiness>.

If you are unsure about the categories, you can visit HUD's qualification questionnaire to determine if you qualify as a Section 3 Business Concern. <https://portalapps.hud.gov/Sec3BusReg/BRegistry/AmISection3>.

Where do Section 3 Business Concerns find contracting opportunities?

Section 3 Business Concerns can visit HUD's Opportunity Portal to search for contracting opportunities. BHA's Contract Opportunities are posted on <https://www.bostonhousing.org/en/Bid-Opportunities/Current-Bid-Opportunities.aspx>. You can also sign up for the BHA email list and get construction bid email notifications. Please visit our website.

Why should a business self-identify as a Section 3 Business Concern?

A business that self-certifies can benefit from HUD-provided preferences indicated in BHA's Section 3 Policy.

Part II: HUD also mandates BHA to provide employment and training opportunities to low- and very low-income persons, especially to BHA residents and participants of our leased housing program.

Who is a Section 3 Worker and Targeted Section 3 Worker?

Section 3 Worker is a worker that currently fits, or when hired within the past five years fit one of these categories:

1. Worker's income for the previous or annualized calendar year is below the income limit (see chart on BHA Section 3 Affidavit Sheet)
2. Worker is employed by a Section 3 business concern
3. Worker is a YouthBuild participant

Targeted Section 3 Worker is a Section 3 Worker who:

1. Is employed by a Section 3 business concern
2. Currently fits or when hired fit one of these categories, as documented within the past five years:
 - a. A resident of public housing or Section 8-assisted housing
 - b. A resident of BHA or participant of BHA's leased housing program
 - c. A YouthBuild participant.

Youth Build Participant is an at risk youth ages 16-24 who previously dropped out of high school that is partaking in a community-based pre-apprenticeship program.

What are the Section 3 employment percentage goals?

To the greatest extent feasible, BHA must employ qualified persons that self-certify as Section 3 Workers to work at least **25 percent** or more of the total number of labor hours performed by all BHA employees. At least **five (5) percent** of that 25 percent must be the total number of labor hours worked by Targeted Section 3 Workers.

Why should qualified residents and other low-income residents self-certify as Section 3 Workers and Targeted Section 3 Workers?

A BHA resident or low-income person that self-certifies can benefit from HUD-provided preferences indicated in BHA's Section 3 Policy.

Part III: The Section 3 Provision also applies to developers, contractors, and other entities receiving certain funds or involved with BHA's procurement and contract ventures.

How can BHA developers, contractors, and vendors advertise their economic opportunities to attract Section 3 Workers and Section 3 Business Concerns?

BHA vendors, contractors, and developers should, among others, utilize HUD's Opportunity Portal to post jobs and contracts and visit HUD's Business Registry to find registered Section 3 Business Concerns. BHA contractors, vendors, and developers should also use local, popular communication outlets to engage with the community, i.e., newspapers, TV, radio, flyers, and community partnerships.

Can Section 3 Workers, Targeted Section 3 Workers, Section 3 Business Concerns, and private citizens file a complaint related to the Section 3 program?

Yes. Submit a written complaint containing the complainant's name and a brief description of the alleged Section 3 violation to BHA's Office of Civil Rights with a copy to BHA's Legal Department, as indicated in BHA's Section 3 Policy.