



## About Section 3

As part of our mission, CMHA seeks to provide economic opportunities to public housing and low-income residents. This is consistent with Section 3 of the Housing and Urban Development (HUD) Act of 1968 as amended and implementing regulations codified at 24 CFR Part 75. 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 that provide economic opportunities to low and very low-income persons. Information detailing the requirements of Section 3 may be found on the HUD website:

<https://www.hud.gov/section3/>.

### **Section 3 Businesses**

Section 3 requires that best efforts must be made to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 Workers (Section 3 businesses).

Section 3 businesses shall be the extended preference in contracting, purchasing, and servicing activities in the following order of priority:

1. Section 3 business concerns that provide economic opportunities for CMHA residents of the public housing property for which the assistance is provided
2. Section 3 business concerns that provide economic opportunities for other CMHA residents or residents of Section 8-assisted housing managed by CMHA
3. YouthBuild programs
4. Section 3 business concerns that provide economic opportunities to Section 3 Workers residing in Columbus, OH, or Franklin County, OH

Contractors must be certified as a Section 3 business to meet the contracting requirements. To be certified as a Section 3 business, please complete the Section 3 Business Certification Form, and return them to [section3@cmhanet.com](mailto:section3@cmhanet.com).

### **Section 3 Workers**

Section 3 requires that best efforts must be made to provide employment and training opportunities generated by the project to Section 3 Workers.

Bidders and contract award recipients are required to provide a list of employment and training opportunities anticipated for the project's scope of work. Contract award recipients are required to communicate opportunities as they become available throughout the life of the project.

Bidders (and contract award recipients) shall not fill new opportunities immediately before undertaking work to circumvent Section 3 requirements. First consideration for employment or training opportunities shall be granted to Section 3 Workers in the following order of priority:

1. CMHA residents of the public housing property for which the public housing financial assistance is expended
2. Residents of other CMHA properties or residents of Section 8-assisted housing managed by the CMHA
3. Participants in a YouthBuild program
4. Low- and very low-income persons residing in Columbus, OH, or Franklin County, OH

In all cases, a Section 3 Worker must meet the minimum qualifications for any new opportunity. In no instance shall it be construed that preference is given to a Section 3 Worker who does not meet the minimum qualifications.

Contract award recipients may be required to report on the number of new hires for the project. Details pertaining to reporting requirements and activities will be provided at the project's pre-construction meeting.

#### How to become a registered Section 3 worker

- Complete and submit the **Section 3 Worker Certification Form and Section 3 Employment Interest Form**.
- Complete a separate form for each person who wants to be registered as a Section 3 worker.
- Keep your email address up to date. Send changes to: [section3@cmhanet.com](mailto:section3@cmhanet.com). **Contact will be made by email only.**
- Respond quickly to any employment or training opportunities that you receive.

## Section 3 Goals

CMHA has the following Section 3 goals:

- **25 percent or more of the total number of labor hours worked by all workers are worked by Section 3 Workers**
- **5 percent or more of the total number of labor hours worked by all workers are worked by Targeted Section 3 Worker**

## Section 3 Definitions

### Who is a Section 3 Worker?

Any worker who currently fits or when hired within the past five years fit at least one of the following categories:

- Income for the previous or annualized calendar year is below the income limit established by HUD
- Employed by a Section 3 business concern
- A YouthBuild participant

### Who is a Targeted Section 3 Worker?

A Targeted Section 3 worker is a Section 3 Worker who is:

- Employed by a Section 3 business concern; or
- Currently fits or, when hired, fit at least one of the following categories, as documented within the past five years\*:
  - Resident of CMHA public housing or CMHA Section 8-assisted housing for which the public housing financial assistance is expended; or
  - Resident of other CMHA public housing properties or Section 8-assisted housing managed by CMHA; or
  - A YouthBuild participant

HUD Section 3 implementing regulations found at 24 CFR Part 75 became effective November 30, 2020; as such, the five-year look-back period begins on this date and not before.

**What is a Section 3 business?**

A business concern meeting at least one of the following criteria, documented within the last six-month period:

- Is at least 51 percent owned and controlled by low- or very low-income persons; or
- Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 Workers; or
- Is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing

**Still have questions?**

You can email questions about the CMHA Section 3 program to [section3@cmhanet.com](mailto:section3@cmhanet.com).