

Section 3 Job Aid

for Contractors and Subcontractors

1 Understand How Section 3 Applies to Your Project

Section 3 applies to **housing construction, housing rehab, and other public construction** (e.g. infrastructure or facilities) projects funded with **over \$200,000** of housing and community development financial assistance. Material supply contracts are excluded.

2 Understand How to Meet the Section 3 Goals


Meet the Quantitative Goals

25% or more of all labor hours on a Section 3 project must be worked by Section 3 workers, and
5% or more of all labor hours on a Section 3 project must be worked by Targeted Section 3 workers

Professional service labor hours are excluded from the goals, but may be included by choice.

Make Qualitative Efforts

Provide evidence that you made qualitative efforts to assist persons and businesses that provide opportunities to persons listed in the following order of priority: 1) Section 3 workers residing in the neighborhood of the project, 2) YouthBuild participants.

 **Helpful Tool:** The Section 3 Guidebook provides a list of qualitative efforts that contractors and subcontractors may undertake to document that they made qualitative efforts to assist persons who are low-income with employment and training opportunities.

3 Understand What a Section 3 Worker Is

What is a Section 3 Worker? A worker who **currently fits**, or **when hired** within the past five years fit, at least **one** of the following categories as documented:

- Worker who is low-income
- Employed by a Section 3 business concern
- YouthBuild participant

*The five-year lookback period cannot date back further than 2020.

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Understand What a Targeted Section 3 Worker Is

What 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 a worker that **currently fits** or **when hired** within the past five years fit, at least **one** of the following categories as documented:

- Living within the service area or the neighborhood of the project and qualifies as a low or very low-income worker; or
- A YouthBuild participant



Helpful Tip:

- All Targeted Section 3 Workers are Section 3 Workers. However, not all Section 3 Workers meet the definition of a Targeted Section 3 Worker.

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Certify Your Section 3 and Targeted Section 3 Workers

Select the Option(s) You will Use for Certifying Worker Eligibility

1. **Worker Self-Certification** - this option allows a worker to verify their own eligibility. A worker may use a self-certification form to certify that:

- Their income is at or below the low-income limit, or
- They are a YouthBuild participant, or
- They live in the service area or neighborhood of the project.

2. **Employer Certification** - this option allows employers to certify that the:

- Worker's paid wage rate by the employer (if annualized on a full-time basis) is at or below the low-income limit, or
- Worker is employed by a Section 3 Business concern, and
- Worker's address is in the service area (or neighborhood of the project)



Helpful Tip:

- If a person does not *currently* meet any of the categories above, the person or employer can look back five years (if hired within the last five years by the same employer) to verify the worker's status.

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Determine if Your Business Qualifies as a Section 3 Business

There are two different ways to qualify as a Section 3 business concern. Your business must meet one of the criteria below to be eligible.

1. At least 51% of your business must be owned and controlled by a person(s) who made less than \$_____ OR by a public housing resident or resident living in Section 8 assisted housing

a. If your business meets the criteria, then you will need to self-certify ownership and income-levels of the qualifying owner(s).

2. In the past 3 months, more than 75% of the labor hours worked for your business must be performed by Section 3 workers.

a. How do I figure this out?

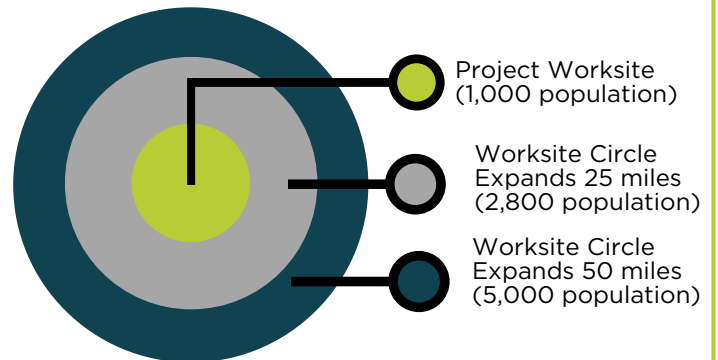
- **Divide** the *total number of labor hours* worked by **Section 3 workers** over the last three-month period by the *total number of labor hours worked* by **all employees** over the last three-month period. **Multiply** the number by 100 to get the percentage. If the percentage is 75% or greater, your business qualifies. You may self-certify your eligibility.

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Additional Guidance

How Do I Determine the Service Area?

The Service Area is within one mile of the Section 3 project, or if less than 5,000 people live within one mile of Section 3 project, the Service Area is an area within a radius centered around the Section 3 project site that contains 5,000 people.



Helpful Tools:

- Launch the [NEPA Assist Tool](#). Type in the address of the project site and draw a one-mile buffer around the project site.
- Use a local GIS mapping tool, if available.



Helpful Resources:

- _____'s Section 3 Plan
- Certification Forms for Workers and Businesses