**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

**24 CFR Part 75**

**Section 3 Benchmarks for Creating Economic Opportunities for Low- and Very Low-Income Persons and Eligible Businesses**

**Background:** As a condition to receiving financial assistance from HUD, the Seattle Housing Authority (SHA) is required to report to HUD the number of hours worked by Section 3 Workers and Targeted Section 3 Workers on SHA’s contracts. To gather that information, SHA is requiring all firms contracting with SHA to track their Section 3 hours and to submit to SHA a Quarterly/Annual Reporting Form. SHA crated the Quarterly/Annual Reporting Form for all contractors and consultants to use for this quarterly and/or annual report.

HUD requires SHA and its contractors to use their best efforts to achieve the following Section 3 benchmarks:

For Section 3 Workers – 25 percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance for SHA’s fiscal year.

For Targeted Section 3 Workers – 5 percent or more of the total number of labor hours worked by all workers employed with public housing financial assistance for SHA’s fiscal year.

**Definitions:**

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

1. The worker’s income for the previous or annualized calendar year is below the income limit established by HUD;
2. The worker’s income for the previous or annualized calendar year is below the income limit established by HUD and:
3. The worker is employed by a Section 3 business concern; OR
4. The worker is a YouthBuild participant.

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

1. Is employed by a Section 3 business concern; OR
2. Currently fits or when hired fit at least one of the following categories, as documented within the past five years:
3. A resident of public housing or Section 8-assisted housing; OR
4. A resident of other public housing projects or Section 8-assisted housing managed by SHA: OR
5. A YouthBuild participant.

Section 3 Business Concern: A Section 3 Business Concern is a business that meets at least one of the following criteria, documented within the last six-month period:

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