

## Old Rule

### “Trigger” Effect

Section 3 only applied if the need for a new hire arose. If there was no need to hire, then section 3 was never “triggered” during the contract.

### New Hires

The old rule simply counted “bodies.” If that person even worked just a few hours on the contract, they counted as a new hire and helped a contractor meet the benchmark.

### Timeline

New hires only counted for that contract or fiscal year.

### Benchmarks

30% of all new hires must be section 3. So, if you only had ONE new hire, you would exceed the benchmark.

### Section 3 Resident Definition

- A Public Housing Resident or a low-income individual living within the service area of the Housing Authority. There was no delineation between a public housing resident and a Section 3 resident.

### Income

This is determined by household size, so the individual would need to know each earner’s income within the home.

## New Rule

### No “Trigger” Effect

Section 3 starts at the beginning of a contract.

### Hours Worked

All employees’ hours are counted from the very beginning of the contract. Since there is no “trigger” effect in the new rule, all employees must be certified as Section 3 or Targeted Section the moment the contract starts.

### Timeline

Section 3 and Targeted Section, 3 worker hours, can be counted for up to 5 years. They can be re-certified after the five years have expired if they are still Section 3 or Targeted Section 3.

### Benchmarks

25% of all hours worked must be by Section 3 workers. 5% of those hours must be by Targeted Section 3 workers.

### Section 3 Resident Definition

The definition was split into two categories: Section 3 Worker and Targeted Section 3 Worker.

- A Section 3 Worker is a low-income individual.
- A Targeted Section 3 Worker is a public housing resident or Section 8 resident.

### Income

This is only determined individually. This can be a detriment to single-income family homes.



### **Section 3 Business**

- 51% owned by Section 3 residents
- 30% of full-time employees are Section 3 residents (or within the last 3 years)
- A business that subcontracts out 25% of the total contract award to a Section 3 business.

### **Professional Services**

They had to report on their section 3 new hires.

### **Contracting Goals**

PHAs were required to contract out 10% of the dollar amount awarded for construction contracts and 3% of non-construction contracts to Section 3 Businesses.

### **Section 3 Business**

- 51% owned and operated by a low- or very low-income person
- 51% owned and controlled by a current public housing resident or Section 8 resident
- 75% of the labor hours performed by the business are performed by Section 3 or Targeted Section 3 Workers.

### **Professional Services**

They are exempt under the new rule. However, they may report any Section 3 or Targeted Section 3 Worker hours to the PHA in the numerator totals.

### **Contracting Goals**

This is not required under the new rule.