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## HUD Releases Section 3 Proposed Rule and Outcome Benchmarking

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Housing Agency Procurement Assistance

Housing Authority Procurement Assistance

Dear Housing Professional,

I am very pleased to forward the following announcement that NAHRO originally distributed. If you have any questions pertaining to this Notice, please do not contact me as I am only distributing it as a public service. If you have questions, I recommend that you contact HUD directly as detailed within the following.

### HUD Releases Section 3 Proposed Rule and Outcome Benchmarking



Direct  
News

April 3, 2019

On April 4, HUD will release two notices in the Federal Register related to Section 3. The first is a new proposed rule titled [“Enhancing and Streamlining the Implementation of ‘Section 3’ Requirements for Creating Economic Opportunities for Low- and Very Low-Income Persons and Eligible Businesses,”](#) which would update the regulations implementing Section 3. The second is titled [“Section 3 Benchmarks for Creating Economic Opportunities for Low- and Very Low-Income Persons and Eligible Businesses”](#) and sets outcome benchmarks for meeting and following Section 3 requirements. HUD also hosted a call the morning of April 3 on the proposed rule. NAHRO was the only participant to ask questions on the proposed rule, specifically about changes to the definition of Section 3 businesses, and the impact of the proposed rule on small agencies. **Comments on the proposed rule and benchmarks are due June 4 at [www.regulations.gov](http://www.regulations.gov).**

According to HUD, “[t]he purpose of Section 3 is to ensure that employment, training, contracting, and other economic opportunities generated by certain HUD financial assistance are directed to low- and very low-income persons, particularly those who receive government assistance for housing, and for businesses to provide economic opportunities to low- and very low-income persons.” The proposed rule and proposed benchmarks apply to HUD’s Public Housing program and other programs that provide HUD housing and community

development assistance. Section 8 programs are not covered in this proposed rule. Major provisions of the proposed rule include: promoting sustained employment and career development for people served by HUD assistance programs; aligning Section 3 reporting with standard business practices; changing applicability and reporting thresholds; reporting and targeting Section 3 workers; and proposing outcome benchmarks to demonstrate compliance with Section 3.

END OF NOTICE FROM NAHRO

Regards,

**Mike Gifford, C.P.M., CPSD**

Housing Agency Procurement Assistance (HAPA)

**ABOUT MIKE GIFFORD:** Please feel free to visit my no-charge procurement and contracts-mentoring web site, [www.procurementassistance.org](http://www.procurementassistance.org). After you register, you will receive a username and password to access the material and documents on the website.

I have a consulting practice providing procurement- and contracts-related mentoring, training, and technical assistance to housing agencies. I help housing agencies conduct procurement and contracts in a HUD-compliant and "best practice" manner. [Click here](#) to see my full resume. Please do not hesitate to contact me if you have any questions or concerns pertaining to procurement and contracts (initial answering of questions is "no charge"). As I am either on-the-road or on the phone a lot, an initial contact by e-mail is best; please be sure to include your return telephone number (office/cellular) so that I can call you back.

**DISCLAIMER:** By accepting and reading this email you thereby understand and agree that I have no responsibility for this information, that I am simply distributing this information as an FYI.

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