

## Section 3 Compliance for NYCHA DECAR and other Non-Professional Services Contracts

This contract is subject to Section 3 of the HUD Act of 1968, which ensures that employment and contracting opportunities generated by HUD assistance benefit low- and very low-income persons, with a priority to NYCHA residents and residents of Section 8-assisted housing managed by NYCHA. NYCHA requires Section 3 or like compliance on all open, competitively bid contracts and projects and others in excess of \$250,000, regardless of the funding source. **Compliance is mandatory; failure to comply with Section 3 may result in payment delays and ultimately, a non-responsibility determination.** NYCHA and its contractors, subcontractors, and development partners, must make their best efforts to:

- Provide employment and training opportunities to Section 3 workers.
- Award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers.

### Professional Services from HUD Regulations (24 CFR Part 75 Subpart B):

If a contract covers professional services and other work, even if the contractor chooses not to report labor hours for professional services, **they are still required to report all labor hours for the other work under the contract.**

Professional services are non-construction services that require an advanced degree or professional licensing, including, but not limited to, contracts for legal services, financial consulting, accounting services, environmental assessment, architectural services, and civil engineering services. If you believe your contract covers professional services only, please refer to the Professional Services guidance document [\[sec3compliance-ps.pdf\]](#) for additional information on reporting labor hours or Other Economic Opportunities (OEO) in eComply.

### Groups and Prioritization

NYCHA's contractors and subcontractors must make a good-faith effort to provide employment and training opportunities in the following order of priority:

- **Category 1:** Residents living on the NYCHA property receiving HUD assistance.
- **Category 2:** Residents of other public housing projects or Section 8-assisted housing managed by the NYCHA.
- **Category 3:** Participants in HUD YouthBuild programs.
- **Category 4:** Low- and very low-income residents of the metropolitan area receiving funding, as defined by [HUD](#) and updated annually, e.g. in 2025, the maximum previous-year income threshold for being considered low income as a single-person household was \$90,750.

### Contractor Minimum Efforts to Facilitate Compliance with Section 3 Requirements

To facilitate contractors' compliance with its Section 3 requirements, contractor must at a minimum undertake the following. In addition, contractors must retain records of the actions below and provide them to NYCHA regularly and upon request:

- Contact REES with the job order details at the start of the recruitment period.
- Advertise the employment positions by distributing flyers and posting flyers at the housing development worksite targeting **Priorities 1 through 4**.
- Contact the resident associations in the work area to request assistance in notifying residents about available employment positions.
- Arrange a location at the worksite(s) where job applications may be collected.
- Hold one or more job fairs to promote job opportunities.
- For total hiring projections over 10 positions, sponsor job informational meetings or recruitment events where Priority 1 or 2 persons reside or in a nearby central or convenient area.
- Where applicable, contact appropriate union trade representative(s) to obtain Priority 1 or Priority 2 worker(s)-indicating date of request and result.
- Engage in outreach efforts to generate job applicants who are Targeted Section 3 workers.
- Engage in outreach efforts to identify and secure bids from Section 3 Business Concerns.

- Solicit from and/or contract with businesses listed on NYCHA's Section 3 Business Concerns Registry ("the Registry") linked here: <https://nycha.ecomply.us/Public/Section3Directory>.

**Note:** Change Orders that result in a monetary increase, a labor increase, and/or a Contract Capacity Increase are subject to Section 3 requirements and are based on the contract's total labor hour expenditure after the contract modification.

## Project Labor Agreement

Section 3 requirements apply to NYCHA service contracts, including projects covered under the Project Labor Agreement (PLA). Contractors and subcontractors on PLA covered projects must still comply with all Section 3 obligations in addition to the union requirements. The PLA agreement includes proactive steps for maximizing Section 3 participation.

NYCHA requires that their contractors and subcontractors also assent to the agreement on a project-specific basis. The PLA applies to contracts that predominantly involve renovation, structural repair, alteration, rehabilitation or expansion of an existing NYCHA building or structure including elevator replacement.

- You can view the NYCHA PLA agreement here: [NYCHA Project Labor Agreement 2024.pdf](#)
- Guidance on how to navigate the PLA requirements to optimize Section 3 compliance is also available here: [NYCHA-2024-PLA-Overview-Feb-2024.pdf](#)

To help maximize Section 3 participation under the PLA, contractors should:

- Coordinate early with trade unions to request referrals of NYCHA residents and other Section 3 candidates
- Refer Section 3 candidates to pre-apprenticeship programs when applicable
- Track and report labor hours consistently through eComply
- Engage with subcontractors listed in the S3BC Registry to help meet hiring goals

## Section 3 Benchmark:

Contractors are compliant with Section 3 requirements if they:

- Certify that they have followed the **prioritization of efforts (see above); AND**
- Meet or exceed the applicable Section 3 benchmarks:
  - **25%** of total labor hours are performed by [Section 3 workers](#) and
  - **5%** of total labor hours are performed by [Targeted Section 3 workers](#).



**\* Please note that all hours performed by S3BCs count towards the Section 3 labor hour benchmark.**

Qualified Section 3 and Targeted Section 3 workers can self-certify utilizing the Self-Certification Form [here](#).

Guidance on the Self-Certification form can be accessed [here](#).

## Section 3 Business Concerns (S3BCs)

Contractors can gain **credit towards the 25% labor hours** goal by subcontracting to qualified S3BCs. NYCHA offers a directory of approved S3BC contractors in eComply, which is optional but highly encouraged. Access the directory using this link: <https://nycha.ecomply.us/Public/Section3Directory>.

An S3BC business must meet one of these criteria:

- **At least 51%** owned by low- or very low-income persons, as defined by [HUD](#);
- **At least 75%** of labor hours in the last 3 months were performed by Section 3 workers.
- Or **at least 51%** owned by residents of NYCHA public housing or NYCHA Section 8-assisted housing.

Qualified firms can register as S3BCs with NYCHA by following the instructions [here](#).

## Checklist for Section 3 compliance

| Requirement                          | Your Action                                                                            |
|--------------------------------------|----------------------------------------------------------------------------------------|
| ✓ Follow prioritization of effort    | Hire in the correct HUD-specified order                                                |
| ✓ Report labor hours in eComply      | Required with each invoice                                                             |
| ✓ Meet labor hour benchmarks         | 25% (S3) / 5% (Targeted S3)                                                            |
| ✓ Subcontract to S3BCs when possible | Helps you meet labor hour goals                                                        |
| ⚠ Keep documentation                 | Upload supporting documents (i.e., Self-Certification forms for S3 workers) to eComply |

## Support and User Guides

Please refer to the following Section 3 resources and eComply guides for step-by-step instructions:

- Guidance on eComply registration process: [Getting-Started-Doing-Business-with-NYCHA.pdf](#)
- Guidance on Section 3 Plan submission process: [Section-3-REO-Plan-OEO-Plan-Guide-for-eComply.pdf](#)
- Guidance on Section 3 worker self-certification process: [selfcertify-section3.pdf](#)
- Guidance on S3BC registration process: [s3bcguide.pdf](#)
- HUD Section 3 Guidance: [HUD Section 3 Overview](#) and [Section 3 Resource Hub](#)
- Guidance on the PLA here: [NYCHA-2024-PLA-Overview-Feb-2024.pdf](#)
- Guidance on CPR, CHR, and Section 3 Reporting in eComply: [cpr-chr.pdf](#)

For further information and updates on eComply, please visit NYCHA's eComply webpage: [eComply - NYCHA](#).

## Contact us

For questions or support, you may email our dedicated mailboxes at:

- Section 3 Compliance: [procurement.section3@nycha.nyc.gov](mailto:procurement.section3@nycha.nyc.gov)
- REES Support: [section3.rees@nycha.nyc.gov](mailto:section3.rees@nycha.nyc.gov)
- eComply Navigation Help: [ecomply.support@nycha.nyc.gov](mailto:ecomply.support@nycha.nyc.gov)
- For eComply technical support, please contact eComply directly at [support@ecomplysolutions.com](mailto:support@ecomplysolutions.com).