

Section 3 Compliance for NYCHA Professional Services Contracts

This contract is covered under 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. Professional Services contractors are encouraged to make good-faith efforts to provide other economic opportunities (see OEO below for more information) or labor hours to Section 3 workers or to subcontract to Section 3 Business Concerns (S3BCs). For DECAR and other Non-Professional Services contracts, please see the **Section 3 Compliance for NYCHA DECAR and other Non-Professional Services Contracts guidance document**: [sec3compliance-dechar.pdf](#).

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

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 the contract scope is entirely professional services, and a contractor projects non-zero Section Labor Hours, the contractor may choose to report on labor hours for Section 3 workers. A professional services contract may also choose to undertake and report on other economic opportunities (OEO). However, if a contract covers professional services and other, non de minimis non-professional services work, even if the contractor chooses not to report labor hours for professional services work nor OEO, **they are still required to report all labor hours for the other non-professional services work under the contract.**

Example: Non-Construction Quick Guide

Contract Type	Must Report Labor Hours?
Legal, Engineering, Architecture, IT consulting (fully professional)	Optional -may report labor hours for Sec3 workers or OEO
Pest Control, Drivers, Cleaners (non-professional)	Yes – labor hours reporting is required
Mixed contracts (e.g., engineering services + facilities, maintenance services, other IT services)	Yes – report labor hours for non-professional work

If you're unsure whether your contract is considered "professional services" under Section 3, contact procurement.section3@nycha.nyc.gov.

Section 3 Labor Hours:

- Section 3 Labor Hours are completed by Section 3 workers or Targeted Section 3 workers.
- If the scope of the contract is entirely Professional services and the Professional services contractor projects Section 3 labor hours, then the Professional services contractor must submit a Section 3 & REO Plan via eComply prior to the bid closing.
- Professional services contractors who project Section 3 labor hours are required to submit Certified Hourly Reports (CHRs) on a quarterly basis, which ensures transparency and accuracy in labor-hour tracking (see CHR and eComply section below for further details).
- Professional services contractors who have Section 3 labor hours (even if Section 3 labor hours were not initially projected), should report the Section 3 labor hours via eComply (see CHR and eComply section below for further details).



Groups and Prioritization

A professional services contractor projecting Section 3 labor hours must make a good-faith effort to provide employment and training opportunities in the following order of priority:

- **Category 1:** Residents living on the property receiving HUD assistance.
- **Category 2:** Residents of other public housing projects or Section 8-assisted housing managed by the PHA.
- **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.

Examples of Contractor Efforts to Facilitate Section 3 Opportunities (if reporting labor hours)

If a Professional Services contractor intends to hire Section 3 workers, then they should retain records of the actions listed below and provide them to NYCHA regularly and upon request:

- Contact REES (section3.rees@nycha.nyc.gov) 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 service area.
- Engage in outreach efforts to generate job applicants who are [Targeted Section 3 workers](#).
- Engage in outreach efforts to identify and secure bids (when possible) 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>.
- Offer Other Economic Opportunities (OEO) such as training or pre-apprenticeship programs, or comprehensive paid internship programs for NYCHA residents; hiring NYCHA residents outside of the contract; or providing technical assistance such as business development and management training to help establish, stabilize, or expand NYCHA-resident owned businesses.

Subcontracting to Section 3 Business Concerns (S3BCs)

Contractors can provide labor hours to Section 3 Workers 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 public housing or Section 8-assisted housing.

Qualified firms can register as S3BCs with NYCHA by following the instructions here: [S3BC Registration Guide](#).

OEO (Other Economic Opportunities)

- If the scope of the contract is entirely Professional services and the Professional services contractor has chosen to undertake and report on other economic opportunities (OEO), then the Professional services contractor must submit an OEO Plan via eComply prior to the bid closing.
- Examples of OEO include but are not limited to the following options: indirect participation (hiring Section 3 residents in positions outside the Section 3 covered contract), paid internship program, resident training program, pre-apprenticeship training opportunities, or support to Section 3 Business Concerns (S3BCs).

Reporting Labor Hours and/or OEO in eComply

- [eComply](#) is NYCHA's online labor compliance software tool, designed to enhance compliance and streamline payroll and hourly reporting for contractors and subcontractors on NYCHA Contracts.
- CHRs must be completed quarterly for all non-prevailing wage laborers involved in the project, ensuring transparency and accuracy in labor-hour tracking.
- CHRs include worker names and labor hours but excludes wage details.
- Professional services contractors who have chosen to report labor hours only need to report the hours for Section 3 workers and Targeted Section 3 workers without including the total number of labor hours worked.
- Section 3 Self-Certification Forms must be uploaded in eComply for all workers identified as Section 3 Workers.
- Qualified Section 3 and Targeted Section 3 workers can self-certify utilizing the Section 3 Self-Certification Form here: [14828F v1.indd](#). Guidance on the Self-Certification form can be accessed here: [selfcertify-section3.pdf](#).
- Professional Service Contractors that projected other economic opportunities (OEO) in their approved OEO Plan must provide quarterly updates on their other economic opportunities initiatives through the OEO Outcome Summary module in eComply.

Checklist for Section 3 compliance

Requirement	Your Action
✔ Offer economic opportunities	Internships, mentoring, or donations to local programs
✔ Follow prioritization of effort	If hiring Section 3 workers, hire in the correct HUD-specified order
✔ Use S3BCs when possible	Helps you meet labor hour goals
✔ Section 3 Reporting	Required quarterly for Professional Services contracts if providing labor hours or OEO Outcome Summary
⚠ Keep documentation	Upload supporting docs (i.e., Self-Certification forms, OEO docs) to eComply

Support and User Guides

Please refer to the following 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 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
- REES Support: section3.rees@nycha.nyc.gov
- eComply Navigation Help: ecomply.support@nycha.nyc.gov
- For eComply technical support, please contact eComply directly at support@ecomplysolutions.com