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About Section 3

HUD has recently changed the definition of a **Section 3 Business**:

- At least 51% owned by a CHA resident(s) or HCV participant(s)
- At least 51% owned by a low-income person(s)
- A business where low-income persons make up a minimum of 75% of the labor hours

HUD defines a **Section 3 Worker** as:

Any worker who currently fits or when hired within the past five years fit at least one of the following:

- The worker's income for the previous or annualized year is below the income limit established by HUD (for Chicago, \$62,800 in 2024; \$67,150 in 2025)
- The worker is employed by a Section 3 Business Concern
- The worker is a YouthBuild participant

HUD defines a **Targeted Section 3 Worker** as:

- A worker employed by a Section 3 Business Concern OR
- A worker who currently fits or when hired fit at least one of the following categories within the past five years:
 - A resident of public housing or HCV;
 - A resident of other public housing projects or Section 8 assisted housing managed by the PHA providing assistance; OR
 - A Youthbuild worker

[Section 3 FAQs](#)

Answers to your questions on the New Section 3 Rule, Targeted Section 3 Workers, and Section 3 Businesses and Assistance, in addition to information for CHA Vendors. This resource is also available as a [downloadable PDF](#).

[Doing Business with the CHA: Section 3](#)

What does Section 3 mean when doing business with CHA? What is a Section 3 business? This resource is also available as a [downloadable PDF](#).