



STATE OF CONNECTICUT
DEPARTMENT OF HOUSING



CDBG Small Cities Bulletin

Bulletin Number: 2021-002

To: Small Cities Grantees and Interested Parties
Date: April 1, 2021
From: Miguel A. Rivera, Director, Housing and Community Development
Subject: HUD Releases New Section 3 Final Rule

The purpose of this Bulletin is to announce HUD's release of the new Section 3 Final Rule. Section 3 requires that recipients of certain HUD funds make economic opportunities available for low- and very low-income individuals, especially recipients of government assistance for housing, living in the areas where HUD funds are spent. Some of the changes are as follows:

1. Regulatory reference has changed from 24 CFR Part 135 to 24 CFR Part 75.
2. The definition of "Section 3 resident" has changed and is now called "Section 3 worker."
3. Report on labor hours instead of new hires.
4. Adds a new preference of "Targeted Section 3 Worker."
5. Any contracts (even construction) signed after November 30, 2020 are subject to the new Rule.

A copy of the final rule can be found at the following link: [2020-19185.pdf \(ncsha.org\)](#). HUD Region 1's **Section 3 Training: Opportunity Portal & Business Registry** can be found at the following link: <https://youtu.be/KBknX3YMO5w>. Please review these revisions and adjust your program accordingly. Should you have any questions concerning this bulletin, please contact your appropriate Small Cities project manager.