

## **Frequently Asked Questions (FAQ) About the Coronavirus Disease (COVID-19) for Section 3 Covered Recipients**

The Office of Fair Housing and Equal Opportunity (FHEO) is providing this Frequently Asked Questions (FAQ) notice to address questions and concerns that recipients of Section 3 covered assistance may have regarding compliance requirements under Section 3 during the global pandemic resulting from COVID-19 (Coronavirus).

While we understand you may have concerns regarding COVID-19's impact, please be assured that FHEO is monitoring the situation closely on a regular basis and will continuously provide updates to this notice as the situation evolves.

### **1. What if Section 3 conflicts with my State of Emergency orders for COVID-19 issued by my State/local government?**

Initially, state and local laws do not supersede Federal laws. Under the federal statute (12 U.S.C. §1701u) and the Section 3 regulation found at 24 CFR §135, a conflict would only exist if a state or local law (or emergency order) prohibited recipients and/or their subrecipients, contractors, or subcontractors (Section 3 covered recipients) from hiring or contracting consistent with their Section 3 obligations.

Given the economic impact of COVID-19 nationally, Section 3 covered recipients should make every effort to create employment, training and contracting opportunities to Section 3 residents and Section 3 businesses to help the economy.

If Section 3 covered recipients encounter state or local laws they believe to be in conflict with Section 3 Federally mandated law, we encourage them to contact and consult with FHEO staff at [section3@hud.gov](mailto:section3@hud.gov).

### **2. Are Section 3 Compliance requirements waived during the virus conditions?**

No, the Section 3 statutory and regulatory requirements have not been waived. We encourage Section 3 covered recipients to take every precaution to remain safe during this difficult time and follow the directives of the CDC, WHO, and state and local guidelines. However, if Section 3 covered recipients are engaging in Section 3-related hiring or contracting during this time, the Section 3 covered recipients are still required to meet the Section 3 compliance requirements outlined in 24 CFR §135. Section 3 residents and businesses are the most vulnerable at this difficult time, so we strongly encourage Section 3 covered recipients to make every possible effort "to the greatest extent feasible" to make employment and contracting opportunities available to them.

### **3. Is reporting in SPEARS waived during the virus conditions?**

All Section 3 reporting deadlines have been extended until July 31, 2020.

Please note that SPEARS transmits automatic emails on a monthly basis to all agencies with reports due or overdue during that period. Agencies that are unable to report may ignore the emails as they are automatically sent as part of the normal system operations.

As a friendly reminder, after 90 or more days of inactivity the system automatically terminates the user ID and password. If this occurs, please contact the **REAC Technical Assistance Center** at ([REAC\\_TAC@hud.gov](mailto:REAC_TAC@hud.gov)) or at **(888) 245-4860**.

**4. I am working remotely, and I am unable to access SPEARS from my laptop. Is a paper 60002 submission acceptable?**

The Department no longer accepts paper submissions of the Section 3 Annual Reporting Form (form 60002). Please note the extension of the deadline described in 3. above.

**5. Will HUD reduce the Safe Harbor requirements during the virus restrictions period?**

The Safe Harbor requirements in the Section 3 implementing regulation found at 24 CFR §135 will not be reduced as a result of COVID-19. However, Section 3 covered recipients should note that, in evaluating compliance, a recipient that has not met the Safe Harbor goals has to demonstrate why it was not feasible to meet the goals and identify any impediments they may have encountered. Therefore, if restrictions were placed on recipients as a result of COVID-19 that impeded them from achieving the goals, the recipients must annotate the restrictions and any efforts made to overcome those restrictions in their reports.

**6. Are recipients and contractors required to provide notice of Section 3 opportunities to Section 3 residents and businesses during this time?**

Section 3 covered recipients are still required to provide notice of Section 3 opportunities. We understand that Section 3 covered recipients may not be able to provide notice of Section 3 opportunities in conventional ways due to the COVID-19 pandemic. Therefore, the Department encourages the use of virtual or online notifications. Some examples of those efforts include, but are not limited to:

- Telephone blast messages
- Text message notifications
- Email notifications
- Facebook advertisements
- Other social media advertisements (Twitter/Instagram/etc.)
- YouTube videos

To conduct virtual or online outreach, recipients may utilize their Section 3 resident listings, Section 3 Business Registry and/or the Section 3 Opportunity Portal to obtain contact information for Section 3 residents and businesses in their respective jurisdictions.

HUD recommends Section 3 covered recipients review their existing continuity of operations plans to determine the best mode of notifying the public of information during disaster situations.

As a reminder, please ensure that you document any efforts made to contact residents about employment, training, and contracting opportunities.

**7. Are virtual Section 3 specific meetings allowed to maintain social-distancing requirements during this time?**

HUD encourages Section 3 covered recipients to adhere to social-distancing requirements and use a variety of virtual means to hold meetings, as necessary. Therefore, virtual meetings are an acceptable means of getting information to Section 3 residents and businesses.

**8. Will any of the Choice Neighborhood grant Section 3 requirements be waived or reduced during this time of virus concern?**

Section 3 requirements have not been waived or reduced. If construction-related activities are commencing and jobs and/or contracting opportunities are being made available for Choice Neighborhood grants or any other HUD Section 3 covered assistance, Section 3 covered recipients must ensure compliance with the Section 3 requirements outlined in 24 CFR §135. If COVID-19 impedes a Section 3 covered recipient's efforts to comply, those efforts and impediments should be clearly documented.

**9. Are units of local and/or state government exempt from meeting any Section 3 requirements on their HUD funded projects while their offices are dealing with COVID-19 issues or closures?**

See response question 1 pertaining to exemptions.

**10. Because many local housing authorities are shut down to the public or are only responding to emergencies, are the requirements of Section 3 waived because they are treating ALL work requests as emergencies?**

See response to question 1 pertaining to exemptions.

**11. Are any of the housing authority, state, county, and/or city partially funded projects involving low income tax credits exempt from Section 3 requirements since many parts of the federal government are closed even though construction continues?**

Section 3 requirements have not been waived or reduced. If construction-related activities continue utilizing HUD Section 3 covered assistance, in whole or in part, Section 3 covered recipients are required to demonstrate their efforts to comply with Section 3 requirements "to the greatest extent feasible."

**12. Is HUD able to provide or recommend any online Section 3 Compliance systems that it has vetted that will allow recipients to track all of their covered activities while working remotely?**

HUD does not endorse any Section 3 compliance systems for recipients to utilize to track their Section 3-related activities. We encourage Section 3 covered recipients to ensure that any system utilized captures all of the required information to demonstrate full compliance with the statutory and regulatory requirements.

**13. Where do I send my Section 3 questions related to issues resulting from the COVID-19 pandemic?**

All Section 3 related questions should be sent to [section3@hud.gov](mailto:section3@hud.gov). Issues related to SPEARS should be sent to [60002questions@hud.gov](mailto:60002questions@hud.gov). Please refrain from sending the same question to both mailboxes as they are managed by the same staff.